URANIUM ENERGY CORP
Form 10-K
October 14, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended **July 31, 2014**

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

1111 West Hastings Street, Suite 320, Vancouver, British Columbia, Canada V6E 2J3
(Address of principal executive offices)

(604) 682-9775
(Registrant's telephone number, including area code)

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

Title of each class:	Name of each exchange on which registered:
Common Stock, Par Value $0.001 per share	**NYSE MKT Equities Exchange**

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

N/A
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act.
Yes [ ] No [X]

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 Website, 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by checkmark 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	[X] Accelerated filer
[ ] Non-accelerated filer (Do not check if a smaller reporting company)	[ ] Smaller reporting company

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the registrant s most recently completed second fiscal quarter ($1.73 on January 31, 2014) was approximately $149,790,000.

The registrant had 91,360,383 shares of common stock outstanding as of October 8, 2014.

_____

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. In evaluating these statements, you should consider various factors, including the assumptions, risks and uncertainties outlined in this annual report under "Risk Factors". Any one or more of these factors may cause our actual results to differ materially from any forward-looking statement made in this annual report. Forward-looking statements in this annual report include, among others, statements regarding:

- our capital needs;
- business plans; and
- expectations.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding future events, our actual results will likely vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Some of these risks and assumptions include:

- our limited operating history;
- our history of operating losses;
- our need for additional financing;
- our exploration activities may not result in commercially exploitable quantities of ore on our mineral properties;
- the risks inherent in the exploration for minerals such as geologic formation, weather, accidents, equipment failures and governmental restrictions;
- the potential for environmental damage;
- limits to our insurance coverage;
- the competitive environment in which we operate;
- the level of government regulation, including environmental regulation;
- changes in governmental regulation and administrative practices;
- nuclear incidents;
- the marketability of uranium concentrates;
- the competitive environment in which we operate;
- our dependence on key personnel;
- conflicts of interest of our directors and officers;
- our ability to fully implement our business plan;
- our ability to effectively manage our growth; and
- other regulatory, legislative and judicial developments.

We advise the reader that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to us or persons acting on our behalf. Important factors that you should also consider include, but are not limited to, the factors discussed under "Risk Factors" in this annual report.

The forward-looking statements in this annual report are made as of the date of this annual report and we do not intend or undertake to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

REFERENCES

As used in this annual report: (i) the terms "we", "us", "our", "Uranium Energy" and the "Company" mean Uranium Energy Corp. including its wholly-owned subsidiaries and a controlled partnership; (ii) "SEC" refers to the United States Securities and Exchange Commission; (iii) "Securities Act" refers to the United States *Securities Act of 1933*, as amended; (iv) "Exchange Act" refers to the United States *Securities Exchange Act of 1934*, as amended; and (v) all dollar amounts refer to United States dollars unless otherwise indicated.

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PART I

Item 1. Business

Corporate Organization

Uranium Energy Corp. was incorporated under the laws of the State of Nevada on May 16, 2003 under the name "Carlin Gold Inc." During 2004, we changed our business operations and focus from precious metals exploration to uranium exploration in the United States. On January 24, 2005, we completed a reverse stock split of our common stock on the basis of one share for each two outstanding shares and amended our Articles of Incorporation to change our name to "Uranium Energy Corp.". Effective February 28, 2006, we completed a forward stock split of our common stock on the basis of 1.5 shares for each outstanding share and amended our Articles of Incorporation to increase our authorized capital from 75,000,000 shares of common stock with a par value of $0.001 per share to 750,000,000 shares of common stock with a par value of $0.001 per share. In June 2007, we changed our fiscal year end from December 31 to July 31.

On December 31, 2007, we incorporated a wholly-owned subsidiary, UEC Resources Ltd., under the laws of the Province of British Columbia, Canada. Effective December 18, 2009, we acquired a 100% interest in the South Texas Mining Venture, L.L.P., a Texas limited liability partnership, from each of URN Resources Inc., a subsidiary of Uranium One Inc., and Everest Exploration, Inc.. On September 3, 2010, we incorporated a wholly-owned subsidiary, UEC Paraguay Corp., under the laws of the State of Nevada. Effective May 24, 2011, we acquired a 100% in interest in Piedra Rica Mining S.A., a private company incorporated in Paraguay. Effective September 9, 2011, we acquired a 100% interest in Concentric Energy Corp., a private company incorporated in the State of Nevada. Effective March 30, 2012, we acquired a 100% interest in Cue Resources Ltd., a formerly publicly-traded company incorporated in the Province of British Columbia, Canada.

Our principal offices are located at 500 North Shoreline Boulevard, Suite 800N, Corpus Christi, Texas 78401 and 1111 West Hastings Street, Suite 320, Vancouver, British Columbia, Canada V6E 2J3.

General Business

We are engaged in uranium mining and related activities, including exploration, pre-extraction, extraction and processing, on uranium projects located in the United States and Paraguay. We utilize in-situ recovery (ISR) mining where possible which we believe, when compared to conventional open pit or underground mining, requires lower capital and operating expenditures with a shorter lead time to extraction and a reduced impact on the environment. We do not expect, however, to utilize ISR mining for all of our mineral rights in which case we would expect to rely on conventional open pit and/or underground mining techniques. We have one uranium mine located in the State of Texas, the Palangana Mine, which utilizes ISR mining and commenced extraction of uranium oxide (U_3O_8), or yellowcake, in November 2010. We have one uranium processing facility or mill located in the State of Texas, the Hobson Processing Facility, which processes material from the Palangana Mine into drums of U_3O_8, our only sales product and source of revenue, for shipping to a third-party storage and sales facility. Since commencement of uranium extraction from the Palangana Mine in November 2010 to July 31, 2014, the Hobson Processing Facility has processed 560,000 pounds of U_3O_8. At July 31, 2014, we had no uranium supply or off-take agreements in place.

Our fully-licensed and 100%-owned Hobson Processing Facility forms the basis for our regional operating strategy in the State of Texas, specifically the South Texas Uranium Belt where we utilize ISR mining. As a central processing site, the Hobson Processing Facility has a physical capacity to process uranium-loaded resins up to a total of two million pounds of U_3O_8 annually, and is licensed to process up to a total of one million pounds of U_3O_8 annually, from our Palangana Mine and from future satellite mining activities, such as our Goliad and Burke Hollow Projects, located within the South Texas Uranium Belt.

At July 31, 2014, we held mineral rights in various stages located in the States of Arizona, Colorado, New Mexico, Texas and Wyoming and the Republic of Paraguay. We acquired these mineral rights for the purposes of uranium mining and related activities, including exploration, pre-extraction, extraction and processing. Many of these mineral rights are located in historically successful mining areas and have been the subject of past exploration and pre-extraction activities by other mining companies. Specific exploration targets may be identified internally by our geological team by utilizing this prior exploration work combined with our extensive exploration database.

Our operating and strategic framework is based on expanding our uranium extraction activities, which includes advancing certain uranium projects with established mineralized materials towards uranium extraction, and establishing additional mineralized materials on our existing uranium projects or through acquisition of additional uranium projects.

During Fiscal 2014:

- a strategic plan was announced on September 5, 2013 to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, most notably the uranium spot price being at historical lows. As a result, uranium extraction at Production Area Authorization (PAA) 1, 2 and 3 of the Palangana Mine operated at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices;
- permitting activities continued to advance at other PAAs of the Palangana Mine;
- processing equipment for the construction of the satellite facility and wellfield including long-lead items such as ion exchange vessels were received for the Goliad Project;
- permitting activities continued and a drill program comprised of 191 exploration holes totaling 87,105 feet was completed at the Burke Hollow Project located in Texas;
- a Preliminary Economic Assessment dated April 8, 2014 prepared in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators, was completed for the Slick Rock Project located in Colorado;
- reclamation work for the Mount Lucas Project was completed resulting in a release to unrestricted use from the Texas Commission on Environmental Quality;
- a public offer and sale of 3,380,954 units of the Company was completed at a price of $2.10 per unit for gross proceeds of $7.1 million. Each unit was comprised of one share of the Company and 0.55 of one share purchase warrant, each whole warrant exercisable at a price of $2.60 for a three year period to purchase one additional share for a total 1,859,524 shares of the Company; and
- a $20,000,000 senior secured credit facility was completed pursuant to an Amended and Restated Credit Agreement dated and effective March 13, 2014 (the Amended Credit Facility), which supersedes in its entirety the Credit Agreement dated and effective July 30, 2013 (the Credit Facility), with Sprott Resource Lending Partnership and CEF (Capital Markets) Limited, under which we received initial funding of $10,000,000 upon closing of the Credit Facility on July 30, 2013 and an additional $10,000,000 upon closing of the Amended Credit Facility on March 13, 2014.

Uranium Industry Background

Nuclear generation in the United States was about 790 billion kilowatt-hours in 2013, increasing from 19.0% to 19.4% of the country s total electrical generation compared to 2012 according to World Nuclear Association (WNA) data. The U.S. remains the world s largest consumer of uranium with the WNA showing annual requirements of about 49 million pounds of U_3O_8.The U.S. Energy Information Administration (EIA) reported that only eight percent of the uranium loaded into U.S. reactors in 2013 was U.S. origin uranium, highlighting the U.S. dependency on foreign uranium. EIA data showed domestic production totaled 4.7 million pounds in 2013, up slightly from 4.2 million pounds in 2012, but still less than 10% of U.S. reactor requirements. As of July 2014, the operating U.S. reactor fleet stands at 100 reactors, with five new commercial reactors currently in various stages of construction (Vogtle 3 & 4, Summer 2 & 3 and Watts Bar 2).

Uranium production around the globe increased about 1.8% over the past year from about 151 to 154 million pounds of U_3O_8. About 126 million pounds or 81% of this production came from Africa, Australia, Canada and Kazakhstan according to Ux Consulting Company (UxC) a uranium market information source. Kazakhstan remained the world s largest producer, with over 58 million pounds produced or about 38% of the world s total production. The projects in these areas are primarily controlled by five major producers, although some of their projects also involve joint ventures with other entities.

With the world s population exceeding 7 billion people and growing, the need for electricity is rising and is an important driver for the projected long term increase in uranium demand. Planned reactor growth in countries like China, South Korea, United Arab Emirates, India, Saudi Arabia, Russia and others are testimony to the overall confidence in nuclear power to provide safe, economical, carbon free energy as part of their supply mix. In the United States, the Nuclear Regulatory Commission has received applications for 28 new reactors including the five now under construction. As of October 1, 2014, WNA shows 436 reactors operable worldwide with 71 new reactors under construction, 174 reactors planned or on order and another 301 proposed. Translated into global uranium demand, UxC projects an increase from about 173 million pounds in 2014 to almost 200 million pounds in 2020 and about 238 million pounds by 2025.

Japan s Fukushima Daiichi accident, occurring as a result of the March 11, 2011 earthquake and subsequent tsunami, continues to have a substantial impact on the nuclear industry. While new safety programs are being implemented from Fukushima lessons learned, Japan s nuclear fleet remains offline and is contributing to a near term oversupply condition in the uranium market. Since the event, uranium spot market prices have fallen over 60% to nine year lows from $73.00/pound to $28.50 per pound at the end of July 2014. Long-term contract (base price escalated) prices have also weakened, dropping from about $73.00 per pound into the $44.00 per pound area. The spot and long-term contract price drops have resulted in the deferral or cancellation of several large uranium projects, removing 37 million pounds of supply that was projected to be online by 2014, 36 million pounds by 2015 and 53 million pounds by 2020. We believe this trend is likely to continue absent a substantial and sustained increase in market price. Production cuts, project deferrals and cancellations further exacerbate the growing longer term gap between production and consumption and likely to increase the prospects for an eventual strong rebound in uranium prices.

World reactor requirements outlined by UxC were about 167 million pounds in 2013, exceeding the 154 million pounds of total production by about 13 million pounds. Absent new production, this disparity is expected to become more pronounced, with the gap increasing to near 49 million pounds by 2019 (UxC Uranium Market Outlook Q2-2014). While projections show the gap could be mostly filled with new production, there is question whether or not Planned and Potential production comes on line in accordance with expectations. So far, the gap between primary production and reactor demand is being filled with secondary market sources. This includes the U.S. DOE excess uranium inventories, enrichment underfeeding and tails re-enrichment programs as well as Russian stockpiles.

Ultimately, the forces of supply and demand will dictate the direction of future uranium pricing. In their May 31, 2014 Nuclear Market Review, TradeTech (an industry consulting, information and pricing company) reported uranium prices reached an all-time low on an inflation adjusted basis (using 1968 dollars). On a current dollar basis, uranium prices were at nine year lows in July 2014. The UxC Production Price curve shows that well over half of the world s production cannot be mined economically with spot market prices below $30/lb. Most planned projects have costs well above $50/pound and many industry executives and analysts, including J.P. Morgan, have stated a minimum acceptable price to encourage new hard-rock production is above $75 per pound. The question of producers going forward with planned and potential production projects has become a longer term supply side issue with project cancellations and deferrals continuing to mount. In addition, a variety of producers have announced production cutbacks and development problems have been occurring in a notably large project in Canada that has already resulted in reduced production projections.

On the demand side of the equation, the EPA has recently announced new proposed rules that would require the U.S. utility industry to cut carbon emissions 30% by 2030. New U.S. reactor builds would likely be the dominant solution to meet the EPA target. The press for carbon reduction around the globe likely leaves but one viable alternative in the base load 24-7 generation category. In July, Japan s Nuclear Regulatory Authority (NRA) confirmed the two Sendai reactors meet regulatory standards for restart, marking the first major step in what industry hopes is the beginning of a trend to bring most of their reactor fleet back on line. As of August 2014, the NRA had received applications for the restart of 20 reactors. Also of importance, UxC data shows steep unfilled global requirements four years out in 2018 at about 60 million pounds, almost 1/3 of world demand will require contract coverage that does not currently exist. In the U.S., almost half of the reactor requirements are unfilled in 2018 and well over half (about 32 million pounds) are

unfilled in 2019. As a matter of practice, utilities typically contract for their open needs 2-4 years in advance of the requirement. In sum, we believe supply and demand factors have significant potential to force uranium prices upward.

In-Situ Recovery (ISR) Mining

We utilize in-situ recovery or ISR uranium mining for our Palangana Mine and will continue to utilize ISR mining whenever such alternative is available to conventional mining. When compared to conventional mining, ISR mining requires lower capital expenditures and has a reduced impact on the environment, as well as a shorter lead time to uranium recovery.

ISR mining involves circulating oxidized water through an underground uranium deposit, dissolving the uranium and then pumping the uranium-rich solution to the surface for processing. Leaching solution enters the formation through a series of injection wells and is drawn to a series of communicating extraction wells. To create a localized hydrologic cone of depression in each wellfield, more groundwater will be produced than injected. Under this gradient, the natural groundwater movement from the surrounding area is toward the wellfield, providing control of the injection fluid. Over-extraction is adjusted as necessary to maintain a cone of depression which ensures that the injection fluid does not move outside the permitted area.

The uranium-rich solution is pumped from the ore zone to the surface and circulated through a series of ion exchange columns located at the mine site. The solution flows through resin beds inside an ion exchange column where the uranium bonds to small resin beads. As the solution exits the ion exchange column, it is mostly void of uranium and is re-circulated back to the wellfield and through the ore zone. Once the resin beads are fully-loaded with uranium, they are transported by truck to the Hobson Processing Facility and transferred to a tank for flushing with a brine solution, or elution, which strips the uranium from the resin beads. The stripped resin beads are then transported back to the mine and reused in the ion exchange columns. The uranium solution, now free from the resin, is precipitated out and concentrated into a slurry mixture and fed to a filter press to remove unwanted solids and contaminants. The slurry is then dried in a zero-emissions rotary vacuum dryer, packed in metal drums and shipped out as uranium concentrates, or yellowcake, to ConverDyn for storage and sales.

Each project is divided into a mining unit known as a Production Area Authorization (PAA) which lies inside an approved Mine Permit Boundary. Each PAA will be developed, extracted and restored as one unit and will have its own set of monitor wells. It is common to have multiple PAAs in extraction at any one time with additional units in various states of exploration, pre-extraction and/or restoration.

After mining is complete in a PAA, aquifer restoration will begin as soon as practicable and will continue until the groundwater is restored to pre-mining conditions. Once restoration is complete, a stability period of no less than one year is scheduled with quarterly baseline and monitor well sampling. Wellfield reclamation will follow after aquifer restoration is complete and the stability period has passed.

Hobson Processing Facility

The Hobson Processing Facility is located in Karnes County, Texas, about 100 miles northwest of Corpus Christi. It was originally licensed and constructed in 1978, serving as the hub for several satellite mining projects until 1996, and completely refurbished in 2008. On December 18, 2009, we acquired the Hobson Processing Facility as part of the acquisition of South Texas Mining Venture, L.L.P.

With a physical capacity to process uranium-loaded resins up to a total of two million pounds of U3O8 annually and licensed to process up to one million pounds of U_3O_8annually, our fully-licensed and 100%-owned Hobson Processing Facility forms the basis for our hub-and-spoke strategy in the State of Texas, specifically the South Texas Uranium Belt where we utilize ISR mining.

Palangana Mine

We hold various mining lease and surface use agreements generally having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Palangana Mine, a 7,094-acre property located in Duval County, Texas, approximately 100 miles south of the Hobson Processing Facility. These agreements are subject to certain royalty and overriding royalty interests indexed to the sale price of uranium.

On December 18, 2009, we acquired the Palangana Mine as part of the acquisition of South Texas Mining Venture, L.L.P. In November 2010, the Palangana Mine commenced uranium extraction utilizing ISR mining and in January 2011, the Hobson Processing Facility began processing resins received from the Palangana Mine.

Material Relationships Including Long-Term Delivery Contracts

We entered into a multi-year uranium sales contract in June 2011, as amended in January 2012, requiring the delivery of a total 320,000 pounds of U_3O_8 by us over a three-year period starting in August 2011. The sales price was based on published market price indicators at the time of delivery. During Fiscal 2012 and 2013, a total of 290,000 pounds of U_3O_8 were sold under this contract and during Fiscal 2014, the remaining delivery commitment of 30,000 pounds under this contract was cancelled at no cost to the Company. At July 31, 2014, we had no uranium supply or off-take agreements in place.

Given that there are up to approximately 60 different companies as potential buyers in the uranium market, we are not substantially dependent upon any single customer to purchase the uranium extracted by us.

Seasonality

The timing of our uranium concentrate sales are business decisions dependent upon factors such as extraction results from our mining activities, cash requirements, contractual requirements and perception of the uranium market. As a result, our sales are neither tied to nor dependent upon any particular season. In addition, our ability to extract and process uranium does not change on a seasonal basis. Over the past ten years, uranium prices have tended to decline during the third quarter before rebounding during the fourth quarter, but there does not appear to be a strong correlation.

Goliad Project

We hold various mining lease and surface use agreements having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Goliad Project, a 1,862-acre property located in Goliad County, Texas, subject to certain royalty interests indexed to the sale price of uranium.

Burke Hollow Project

We hold various mining lease and surface use agreements having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Burke Hollow Project, a 19,335-acre property located in Bee County, Texas, subject to certain royalty interests indexed to the sale price of uranium.

Longhorn Project

We hold various mining lease and surface use agreements having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Longhorn Project, a 651-acre property located in Live Oak County, Texas, subject to certain royalty interests indexed to the sale price of uranium.

Salvo Project

We hold various mining lease and surface use agreements having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Salvo Project, a 5,345-acre property located in Bee County, Texas, subject to certain royalty interests indexed to the sale price of uranium.

Nichols Project

We hold a mining lease and surface use agreement having an initial five-year term with extension provisions, granting us the exclusive right to explore, develop and mine for uranium at the Nichols Project, a 909-acre property located in Karnes County, Texas, subject to certain royalty interests indexed to the sale price of uranium.

Channen Project

Based on the results of our exploration activities conducted on the Channen Project, it was released during Fiscal 2014.

Anderson Project

We hold an undivided 100% interest in contiguous mineral lode claims and state leases in the Anderson Project, a 9,214-acre property located in Yavapai County, Arizona.

Workman Creek Project

We hold an undivided 100% interest in contiguous mineral lode claims in the Workman Creek Project, a 4,036-acre property located in Gila County, Arizona, subject to a 3.0% net smelter royalty requiring an annual advance royalty payment of $100,000.

Los Cuatros Project

We hold an undivided 100% interest in a state lease in the Los Cuatros Project, a 640-acre property located in Maricopa County, Arizona.

Slick Rock Project

We hold an undivided 100% interest in contiguous mineral lode claims in the Slick Rock Project, a 6,773-acre property located in San Miguel County, Colorado. Certain claims of the Slick Rock Project are subject to a 1.0% or 3.0% net smelter royalty, the latter requiring an annual advance royalty payment of $30,000 beginning in November 2017.

Coronel Oviedo Project, Paraguay

We hold an undivided 100% interest in two prospecting permits in the Coronel Oviedo Project, a 494,000-acre property located in Paraguay, subject to a 1.5% gross overriding royalty over which we have an exclusive right and option at any time to acquire one-half percent (0.5%) for $500,000 and a right of first refusal to acquire all or any portion of the remaining one percent (1.0%) .

Yuty Project, Paraguay

We hold an undivided 100% interest in four prospecting permits in the Yuty Project, a 492,000-acre property located in Paraguay, subject to an overriding royalty payable of $0.21 for each pound of uranium produced from the property.

Mineral Rights

In Texas, our mineral rights are held exclusively through private leases from the owners of the land/mineral/surface rights with varying terms. In general, these leases provide for uranium and certain other specified mineral rights only including surface access rights for an initial term of five years and renewal for a second five-year term. Production royalties apply which are calculated on a sliding-scale basis tied to the gross sales price of uranium. Remediation of the property is required in accordance with regulatory standards, which may include the posting of reclamation bonds.

In Arizona, Colorado, New Mexico and Wyoming, our mineral rights are held either exclusively or through a combination of federal mining claims and state and private mineral leases. Remediation of the property is required in accordance with regulatory standards, which may include the posting of reclamation bonds. Our federal mining claims

consist of both unpatented lode and placer mining claims registered with the U.S. Bureau of Land Management ("BLM") and the appropriate counties. These claims provide for all mineral rights including surface access rights for an indefinite period. Annual maintenance requirements include BLM claim fees of $155 per claim due on September 1. Our state mineral leases are registered with the applicable state. These leases provide for all mineral rights including surface access rights, subject to a production royalty of 5% in Wyoming, ranging from a five-year term in Arizona to a ten-year term in Wyoming. Annual maintenance requirements include lease fees of $1 and $2 per acre and minimum exploration expenditure requirements of $10 and $20 per acre in Arizona. Our private mineral leases are negotiated directly with the owners of the land/mineral/surface rights with varying terms. These leases provide for uranium and certain other specified mineral rights only including surface access rights, subject to production royalties, for an initial term of five years and renewal for a second five-year term.

Under the mining laws of the Republic of Paraguay, title to mineral rights is held through a Mineral Concession Contract approved by the National Congress and signed between the Government of the Republic of Paraguay and the Company. These mineral rights provide for the exploration of metallic and non-metallic minerals and precious and semi-precious gems within the territory of Paraguay for up to a 6-year period, and for the exploitation of minerals for a minimum period of 20 years from the beginning of the production phase, extendable for an additional ten years.

Environmental Regulation

Our activities will be subject to existing federal, state and local laws and regulations governing environmental quality and pollution control. Our operations will be subject to stringent environmental regulation by state and federal authorities including the Railroad Commission of Texas (RCT), the Texas Commission on Environmental Quality (TCEQ) and the United States Environmental Protection Agency (EPA).

In Texas, an exploration permit is the initial permit granted by the RCT that authorizes drilling activities inside an approved exploration boundary. The permit authorizes specific drilling and plugging procedures including documentation for every borehole drilled. All documentation is submitted to the RCT on a monthly basis and every borehole drilled under the exploration permit is inspected by an RCT inspector to ensure compliance. At July 31, 2014, the Company held one exploration permit in Goliad County, one exploration permit in Duval County and one exploration permit in Bee County.

Before uranium extraction can begin in Texas, a number of permits must be granted by the TCEQ.

A Mine Area Permit application is required for submission to the TCEQ to establish a specific permit area boundary, aquifer exemption boundary and the mineral zones of interests or production zones. The application also includes a financial surety plan to ensure funding for all plugging and abandonment requirements. Funding for surety is in the form of cash, including an excess of 15% for contingencies and 10% for overhead, adjusted annually for inflation. At July 31, 2014, the Company held two Mine Area Permits, one for the Palangana Mine and another for the Goliad Project.

A Radioactive Material License (RML) application is also required for submission to the TCEQ for authorization to operate a uranium recovery facility. The application includes baseline environmental data for soil, vegetation, surface water and groundwater along with operational sampling frequencies and locations. A Radiation Safety Manual is a key component of the application which defines the environmental health and safety programs and procedures to protect employees and the environment. Another important component of the application is a financial surety mechanism to insure plant and wellfield decommissioning is properly funded and maintained. Surety funding is in the form of cash, includes an excess of 15% for contingencies and 10% for overhead, adjusted annually for inflation. At July 31, 2014, the Company held RMLs for its Palangana Mine, Goliad Project and the Hobson Processing Facility.

Production Area Authorization (PAA) applications are also required for submission to the TCEQ to establish specific extraction areas inside the Mine Area Permit boundary. These are typically 30 to 100 acre units that have been delineated and contain producible quantities of uranium. The PAA application includes baseline water quality data that is characteristic of that individual unit, proposes upper control limits for monitor well analysis and also establishes restoration values. The application will also include a financial security plan for wellfield restoration and reclamation which must be funded and in place prior to commencing uranium extraction. At July 31, 2014, the Company held three PAA permits for its Palangana Mine and one for its Goliad Project.

A Class I disposal well permit application is also required for submission to the TCEQ for authorization for deep underground wastewater injection. It is the primary method for disposing of excess fluid from the extraction areas and for reverse osmosis concentrate during the restoration phase. This permit authorizes injection into a specific injection zone within a designated injection interval. The permit requires continuous monitoring of numerous parameters including injection flow rate, injection pressure, annulus pressure and injection/annulus differential pressure.

Mechanical integrity testing is required initially and annually to ensure the well is mechanically sound. Surety funding for plugging and abandonment of each well is in the form of cash, including 15% for contingencies and 10% for overhead, adjusted annually for inflation. At July 31, 2014, the Company held a Class I disposal well permit for its Palangana Mine, the Hobson Processing Facility and the Goliad Project.

The federal Safe Drinking Water Act (SDWA) creates a regulatory program to protect groundwater and is administered by the EPA. The SDWA allows states to issue underground injection control (UIC) permits under two conditions: the state s program must have been granted primacy and the EPA must have granted an aquifer exemption upon the state s request. Texas, being a primacy state, is therefore authorized to grant UIC permits and makes the official requests for an aquifer exemption to the EPA. The aquifer exemption request is submitted by the Company to the TCEQ, and once approved, is then submitted by the TCEQ to the EPA for concurrence and final issuance. At July 31, 2014, the Company held an aquifer exemption for the Palangana Mine and an aquifer exemption for the Goliad Project.

Waste Disposal

The Resource Conservation and Recovery Act (RCRA) and comparable state statutes affect minerals exploration and production activities by imposing regulations on the generation, transportation, treatment, storage, disposal and cleanup of "hazardous wastes" and on the disposal of non-hazardous wastes. Under the auspices of the EPA, the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements.

Comprehensive Environmental Response, Compensation and Liability Act

The federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) imposes joint and several liability for costs of investigation and remediation and for natural resource damages, without regard to fault or the legality of the original conduct, on certain classes of persons with respect to the release into the environment of substances designated under CERCLA as hazardous substances (Hazardous Substances). These classes of persons or potentially responsible parties include the current and certain past owners and operators of a facility or property where there is or has been a release or threat of release of a Hazardous Substance and persons who disposed of or arranged for the disposal of the Hazardous Substances found at such a facility. CERCLA also authorizes the EPA and, in some cases, third parties, to take actions in response to threats to the public health or the environment and to seek to recover the costs of such action. We may also in the future become an owner of facilities on which Hazardous Substances have been released by previous owners or operators. We may in the future be responsible under CERCLA for all or part of the costs to clean up facilities or property at which such substances have been released and for natural resource damages.

Air Emissions

Our operations are subject to local, state and federal regulations for the control of emissions of air pollution. Major sources of air pollutants are subject to more stringent, federally imposed permitting requirements. Administrative enforcement actions for failure to comply strictly with air pollution regulations or permits are generally resolved by payment of monetary fines and correction of any identified deficiencies. Alternatively, regulatory agencies could require us to forego construction, modification or operation of certain air emission sources. In Texas, the TCEQ issues an exemption for those processes that meet the criteria for low to zero emission by issuing a Permit by Rule. Presently the Palangana Mine, the Hobson Processing Facility and the Goliad Project all have Permit by Rule covering air emissions.

Clean Water Act

The Clean Water Act (CWA) imposes restrictions and strict controls regarding the discharge of wastes, including mineral processing wastes, into waters of the United States, a term broadly defined. Permits must be obtained to discharge pollutants into federal waters. The CWA provides for civil, criminal and administrative penalties for unauthorized discharges of hazardous substances and other pollutants. It imposes substantial potential liability for the costs of removal or remediation associated with discharges of oil or hazardous substances. State laws governing discharges to water also provide varying civil, criminal and administrative penalties and impose liabilities in the case

of a discharge of petroleum or it derivatives, or other hazardous substances, into state waters. In addition, the EPA has promulgated regulations that may require us to obtain permits to discharge storm water runoff. In the event of an unauthorized discharge of wastes, we may be liable for penalties and costs. Management believes that we are in substantial compliance with current applicable environmental laws and regulations.

Competition

The uranium industry is highly competitive, and our competition includes larger, more established companies with longer operating histories that not only explore for and produce uranium, but also market uranium and other products on a regional, national or worldwide basis. Due to their greater financial and technical resources, we may not be able to acquire additional uranium projects in a competitive bidding process involving such companies. Additionally, these larger companies have greater resources to continue with their operations during periods of depressed market conditions.

Research and Development Activities

No research and development expenditures have been incurred, either on our account or sponsored by customers, for the three most recently completed fiscal years.

Employees

Amir Adnani is our President and Chief Executive Officer, and Mark Katsumata is our Chief Financial Officer. These individuals are primarily responsible for all our day-to-day operations. Effective September 8, 2014, Scott Melbye was appointed Executive Vice President. Harry Anthony served as our Chief Operating Officer until his resignation effective September 27, 2013, and now serves as Senior Advisor to the Company. Other services are provided by outsourcing and consulting and special purpose contracts. As of July 31, 2014, we had 61 persons employed on a full-time basis and two individuals providing services on a contract basis.

Available Information

The Company s website address is www.uraniumenergy.com and our annual reports on Form 10-K and quarterly reports on Form 10-Q, and amendments to such reports, are available free of charge on our website as soon as reasonably practicable after such materials are filed or furnished electronically with the United States Securities and Exchange Commission (the SEC). These same reports, as well as our current reports on Form 8-K, and amendments to those reports, filed or furnished electronically with the SEC are available for review at the SEC s website at www.sec.gov. Printed copies of the foregoing materials are available free of charge upon written request by email at info@uraniumenergy.com. Additional information about the Company can be found at our website, however, such information is neither incorporated by reference nor included as part of this or any other report or information filed with or furnished to the SEC.

Item 1A. Risk Factors

In addition to the information contained in this Form 10-K Annual Report, the following list of material risks and uncertainties should be carefully reviewed by our stockholders and any potential investors in evaluating our Company, our business and the market value of our common stock. Any one of these risks and uncertainties has the potential to cause material adverse effects on our business, prospects, financial condition and operating results which could cause actual results to differ materially from any forward-looking statements expressed by us and a significant decrease in the market price of our common stock. Refer to Forward-Looking Statements .

There is no assurance that we will be successful in preventing the material adverse effects that any of the following risks and uncertainties may cause, or that these potential risks and uncertainties are a complete list of the risks and uncertainties facing us. Furthermore, there may be additional risks and uncertainties that we are presently unaware of, or presently consider immaterial, that may become material in the future and have a material adverse effect on us. You could lose all or a significant portion of your investment due to any of these risks and uncertainties.

Risks Related to Our Company and Business

Evaluating our future performance may be difficult since we have a limited financial and operating history, with significant negative cash flow and accumulated deficit to date. Furthermore, our long-term success will depend ultimately on our ability to achieve and maintain profitability and to develop positive cash flow from our mining activities.

As more fully described under Item 1. Business, Uranium Energy Corp. was incorporated under the laws of the State of Nevada on May 16, 2003 and since 2004, we have been engaged in uranium mining and related activities, including exploration, pre-extraction, extraction and processing on projects located in the United States and Paraguay. In November 2010, we commenced uranium extraction utilizing ISR for the first time at the Palangana Mine and processed those materials at the Hobson Processing Facility into drums of U_3O_8, our only sales product and source of revenue. We also hold uranium projects in various stages of exploration and pre-extraction in the States of Arizona, Colorado, New Mexico, Texas and Wyoming and the Republic of Paraguay.

As more fully described under Liquidity and Capital Resources of Item 7. Management s Discussion and Analysis of Financial Condition and Result of Operations, we have a history of significant negative cash flow and accumulated deficit since inception to July 31, 2014 of $168.7 million. Although we generated revenues from sales of U_3O_8 during Fiscal 2013 and 2012 of $9.0million and $13.8 million, respectively, we have yet to achieve profitability or develop positive cash flow from our operations. No revenues from the sale of U_3O_8 were generatedduring Fiscal 2014 or prior to Fiscal 2012. Furthermore, we do not expect to achieve and maintain profitability or develop positive cash flow from our operations in the near term. Historically, we have been reliant primarily on equity financings and, more recently, on debt financing to fund our operations and we expect this reliance to continue for the foreseeable future. As a result of our limited financial and operating history, including our significant negative cash flow and net losses to date, it may be difficult to evaluate our future performance.

Our long-term success, including the recoverability of the carrying values of our assets and our ability to acquire additional uranium projects and continue with exploration and pre-extraction activities and mining activities on our existing uranium projects, will depend ultimately on our ability to achieve and maintain profitability and positive cash flow from our operations by establishing ore bodies that contain commercially recoverable uranium and to develop these into profitable mining activities. The economic viability of our mining activities, including the expected duration and profitability of the Palangana Mine and of any future satellite ISR mines, such as the Goliad and Burke Hollow Projects, located within the South Texas Uranium Belt, has many risks and uncertainties. These include, but are not limited to: (i) a significant, prolonged decrease in the market price of uranium; (ii) difficulty in marketing and/or selling uranium concentrates; (iii) significantly higher than expected capital costs to construct the mine and/or

processing plant; (iv) significantly higher than expected extraction costs; (v) significantly lower than expected uranium extraction; (vi) significant delays, reductions or stoppages of uranium extraction activities; and (vi) the introduction of significantly more stringent regulatory laws and regulations. Our mining activities may change as a result of any one or more of these risks and uncertainties and there is no assurance that any ore body that we extract mineralized materials from will result in achieving and maintaining profitability and developing positive cash flow.

Our operations are capital intensive, and we will require significant additional financing to acquire additional uranium projects and continue with our exploration and pre-extraction activities on our existing uranium projects. However, there is no assurance that we will be successful in securing any form of additional financing when required and on terms favorable to us.

Our operations are capital intensive and future capital expenditures are expected to be substantial. We will require significant additional financing to fund our operations, including continuing with our exploration and pre-extraction activities which include assaying, drilling, geological and geochemical analysis and mine construction costs. In the absence of such additional financing, we would not be able to fund our operations, including continuing with our exploration and pre-extraction activities, which may result in delays, curtailment or abandonment of any one or all of our uranium projects.

Historically, we have been reliant primarily on equity financings from the sale of our common stock and, for Fiscal 2014 and 2013, on debt financing in order to fund our operations. We have also relied on cash flows generated from our mining activities during Fiscal 2013 and 2012, however, we have yet to achieve profitability or develop positive cash flow from operations. Our reliance on equity and debt financings is expected to continue for the foreseeable future, and their availability whenever such additional financing is required, will be dependent on many factors beyond our control including, but not limited to, the market price of uranium, the continuing public support of nuclear power as a viable source of electricity generation, the volatility in the global financial markets affecting our stock price and the status of the worldwide economy, any one of which may cause significant challenges in our ability to access additional financing, including access to the equity and credit markets. We may also be required to seek other forms of financing, such as joint venture arrangements to continue advancing our uranium projects which would depend entirely on finding a suitable third party willing to enter into such an arrangement, typically involving an assignment of a percentage interest in the mineral project. However, there is no assurance that we will be successful in securing any form of additional financing when required and on terms favorable to us.

Restrictive covenants in the credit agreement governing our indebtedness may restrict our ability to pursue our business strategies.

We entered into an amended and restated credit agreement dated and effective March 13, 2014, which superseded in its entirety a prior credit agreement dated and effective July 30, 2013, which provides for a $20 million secured credit facility, pursuant to which we had drawn down $20 million in principal as of July 31, 2014. The amended and restated credit agreement includes restrictive covenants that, among other things, limit our ability to sell the assets securing our indebtedness or to incur additional indebtedness other than permitted indebtedness, which may restrict our ability to pursue certain business strategies from time to time. If we do not comply with these covenants, we could be in default which, if not addressed or waived, could require accelerated repayment of our indebtedness and/or enforcement by the lenders against certain key assets securing our indebtedness.

If we are unable to service our indebtedness, we could lose the assets securing our indebtedness.

Our ability to make scheduled payments of principal, interest and fees, including compliance with the restrictive covenants under our amended and restated credit agreement, will be dependent on and may change as a result of our financial condition and operating performance. If we cannot make scheduled payments on our debt, we will be in default which, if not addressed or waived, could require accelerated repayment of our indebtedness and/or enforcement by the lenders against certain assets securing our indebtedness. Our amended and restated credit agreement is secured against the lease and related rights comprising the Hobson Processing Facility and the mineral and related rights comprising the Goliad Project. These are key assets on which our business is substantially dependent and as such, the enforcement against any one or all of these assets would have a material adverse effect on our operations and financial condition.

Our uranium extraction and sales history is limited, with our uranium extraction originating from a single uranium mine. Our ability to continue generating revenue is subject to a number of factors, any one or more of which may adversely affect our revenues, results of operations and financial condition.

We have a limited history of uranium extraction and generating revenue. In November 2010, we commenced uranium extraction at a single uranium mine, the Palangana Mine, which has been our sole source for the U_3O_8 sold to generate our revenues of $9.0 million during Fiscal 2013 and $13.8 million during Fiscal 2012, with no revenues from the sale of U_3O_8 generated during Fiscal 2014 or prior to Fiscal 2012. During Fiscal 2014, we announced a strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment and as a result, uranium extraction at the Palangana Mine operated at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices. Our ability to continue generating revenue from the Palangana Mine is subject to a number of factors which include, but are not limited to, (i) a significant, prolonged decrease in the market price of uranium; (ii) difficulty in marketing and/or selling uranium concentrates; (iii) significantly higher than expected capital costs to construct the mine and/or processing plant; (iv) significantly higher than expected extraction costs; (v) significantly lower than expected uranium extraction; (vi) significant delays, reductions or stoppages of uranium extraction activities; and (vii) the introduction of significantly more stringent regulatory laws and regulations. Furthermore, continued mining activities at the Palangana Mine will eventually deplete the Palangana Mine or become uneconomical, and if we are unable to directly acquire or develop our existing uranium projects, such as the Goliad and Burke Hollow Projects, into additional uranium mines from which we can commence uranium extraction, it will negatively impact our ability to continue generating revenues. Any one or more of these occurrences may adversely affect our results of operations and financial condition.

Uranium exploration and pre-extraction programs and mining activities are inherently subject to numerous significant risks and uncertainties, and actual results may differ significantly from expectations or anticipated amounts. Furthermore, exploration programs conducted on our uranium projects may not result in the establishment of ore bodies that contain commercially recoverable uranium.

Uranium exploration and pre-extraction programs and mining activities are inherently subject to numerous significant risks and uncertainties, many beyond our control, including, but not limited to: (i) unanticipated ground and water conditions and adverse claims to water rights; (ii) unusual or unexpected geological formations; (iii) metallurgical and other processing problems; (iv) the occurrence of unusual weather or operating conditions and other force majeure events; (v) lower than expected ore grades; (vi) industrial accidents; (vii) delays in the receipt of or failure to receive necessary government permits; (viii) delays in transportation; (ix) availability of contractors and labor; (x) government permit restrictions and regulation restrictions; (xi) unavailability of materials and equipment; and (xii) the failure of equipment or processes to operate in accordance with specifications or expectations. These risks and uncertainties could result in: delays, reductions or stoppages in our mining activities; increased capital and/or extraction costs; damage to, or destruction of, our mineral projects, extraction facilities or other properties; personal injuries; environmental damage; monetary losses; and legal claims.

Success in uranium exploration is dependent on many factors, including, without limitation, the experience and capabilities of a company s management, the availability of geological expertise and the availability of sufficient funds to conduct the exploration program. Even if an exploration program is successful and commercially recoverable uranium is established, it may take a number of years from the initial phases of drilling and identification of the mineralization until extraction is possible, during which time the economic feasibility of extraction may change such that the uranium ceases to be economically recoverable. Uranium exploration is frequently non-productive due, for example, to poor exploration results or the inability to establish ore bodies that contain commercially recoverable uranium, in which case the uranium project may be abandoned and written-off. Furthermore, we will not be able to benefit from our exploration efforts and recover the expenditures that we incur on our exploration programs if we do not establish ore bodies that contain commercially recoverable uranium and develop these uranium projects into profitable mining activities, and there is no assurance that we will be successful in doing so for any of our uranium projects.

Whether an ore body contains commercially recoverable uranium depends on many factors including, without limitation: (i) the particular attributes, including material changes to those attributes, of the deposit such as size, grade, recovery rates and proximity to infrastructure; (ii) the market price of uranium, which may be volatile; and (iii) government regulations and regulatory requirements including, without limitation, those relating to environmental protection, permitting and land use, taxes, land tenure and transportation.

We have not established proven or probable reserves 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 ISR mining, such as the Palangana Mine. Since we commenced extraction of mineralized materials from the Palangana Mine without having established proven or probable reserves, it may result in our mining activities at the Palangana Mine, and at any future uranium projects for which proven or probable reserves are not established, being inherently riskier than other mining activities for which proven or probable reserves have been established.

We have established the existence of mineralized materials for certain uranium projects, including the Palangana Mine. We have not established proven or probable reserves, as defined by 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 ISR mining, such as 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. 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.

Since we are in the Exploration Stage, pre-production expenditures including those related to pre-extraction activities are expensed as incurred, the effects of which may result in our consolidated financial statements not being directly comparable to the financial statements of companies in the Production Stage.

Despite the fact that we commenced uranium extraction 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, which may never occur. We prepare our consolidated financial statements in accordance with United States generally accepted accounting principles (U.S. GAAP) under which acquisition costs of mineral rights are initially capitalized as incurred while pre-production expenditures are expensed as incurred until such time we exit the Exploration Stage. Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that uranium project, after which subsequent expenditures relating to mine development activities for that particular project are capitalized as incurred.

We have neither established nor have any plans to establish proven or probable reserves for our uranium projects for which we plan on utilizing ISR mining, such as the Palangana Mine. Companies in the Production Stage as defined by the SEC 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. As we are in the Exploration Stage, it has resulted in us reporting larger losses than if we had been in the Production Stage due to the expensing, instead of capitalization, of expenditures relating to ongoing mill and mine pre-extraction activities. Additionally, there would be no corresponding amortization allocated to our future reporting periods 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 acquisition costs 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.

We have recorded estimated reclamation obligations relating to our uranium projects which may be exceeded by the actual reclamation costs when incurred in the future.

We are responsible for certain reclamation obligations in the future, primarily for the Hobson Processing Facility and the Palangana Mine, and have recorded a liability on our balance sheet to recognize such estimated reclamation costs. There is a risk, however, that the actual reclamation costs when incurred in the future will exceed the estimated amounts recorded, which will adversely affect our results of operations and financial performance.

We do not insure against all of the risks we face in our operations.

In general, where coverage is available and not prohibitively expensive relative to the perceived risk, we will maintain insurance against such risk, subject to exclusions and limitations. We currently maintain insurance against general

commercial liability claims and certain physical assets used in our operations, subject to exclusions and limitations, however, we do not maintain insurance to cover all of the potential risks and hazards associated with our operations. We may be subject to liability for environmental, pollution or other hazards associated with our exploration, pre-extraction and extraction activities, which we may not be insured against, which may exceed the limits of our insurance coverage or which we may elect not to insure against because of high premiums or other reasons. Furthermore, we cannot provide assurance that any insurance coverage we currently have will continue to be available at reasonable premiums or that such insurance will adequately cover any resulting liability.

Acquisitions that we may make from time to time could have an adverse impact on us.

From time to time, we examine opportunities to acquire additional mining assets and businesses. Any acquisition that we may choose to complete may be of a significant size, may change the scale of our business and operations, and may expose us to new geographic, political, operating, financial and geological risks. Our success in our acquisition activities depends on our ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of our Company. Any acquisitions would be accompanied by risks which could have a material adverse effect on our business. For example, there may be a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt our ongoing business and our relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that we choose to raise debt capital to finance any such acquisition, our leverage will be increased. If we choose to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, we may choose to finance any such acquisition with our existing resources. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

The uranium industry is subject to numerous stringent laws, regulations and standards, including environmental protection laws and regulations. If any changes occur that would make these laws, regulations and standards more stringent, it may require capital outlays in excess of those anticipated or cause substantial delays, which would have a material adverse effect on our operations.

Uranium exploration and pre-extraction programs and mining activities are subject to numerous stringent laws, regulations and standards at the federal, state, and local levels governing permitting, pre-extraction, extraction, exports, taxes, labor standards, occupational health, waste disposal, protection and reclamation of the environment, protection of endangered and protected species, mine safety, hazardous substances and other matters. Our compliance with these requirements requires significant financial and personnel resources.

The laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency in the United States or any other applicable jurisdiction, may change or be applied or interpreted in a manner which may also have a material adverse effect on our operations. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency or special interest group, may also have a material adverse effect on our operations.

Uranium exploration and pre-extraction programs and mining activities are subject to stringent environmental protection laws and regulations at the federal, state, and local levels. These laws and regulations, which include permitting and reclamation requirements, regulate emissions, water storage and discharges and disposal of hazardous wastes. Uranium mining activities are also subject to laws and regulations which seek to maintain health and safety standards by regulating the design and use of mining methods. Various permits from governmental and regulatory bodies are required for mining to commence or continue, and no assurance can be provided that required permits will be received in a timely manner.

Our compliance costs including the posting of surety bonds associated with environmental protection laws and regulations and health and safety standards have been significant to date, and are expected to increase in scale and scope as we expand our operations in the future. Furthermore, environmental protection laws and regulations may become more stringent in the future, and compliance with such changes may require capital outlays in excess of those anticipated or cause substantial delays, which would have a material adverse effect on our operations.

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To the best of our knowledge, our operations are in compliance, in all material respects, with all applicable laws, regulations and standards. If we become subject to liability for any violations, we may not be able or may elect not to insure against such risk due to high insurance premiums or other reasons. Where coverage is available and not prohibitively expensive relative to the perceived risk, we will maintain insurance against such risk, subject to exclusions and limitations. However, we cannot provide any assurance that such insurance will continue to be available at reasonable premiums or that such insurance will be adequate to cover any resulting liability.

We may not be able to obtain or maintain necessary licenses.

Our exploration and mining activities are dependent upon the grant of appropriate authorizations, licences, permits and consents, as well as continuation of these authorizations, licences, permits and consents already granted, which may be granted for a defined period of time, or may not be granted or may be withdrawn or made subject to limitations. There can be no assurance that all necessary authorizations, licences, permits and consents will be granted to us, or that authorizations, licences, permits and consents already granted will not be withdrawn or made subject to limitations.

Major nuclear incidents may have adverse effects on the nuclear and uranium industries.

The nuclear incident that occurred in Japan in March 2011 had significant and adverse effects on both the nuclear and uranium industries. If another nuclear incident were to occur, it may have further adverse effects for both industries. Public opinion of nuclear power as a source of electricity generation may be adversely affected, which may cause governments of certain countries to further increase regulation for the nuclear industry, reduce or abandon current reliance on nuclear power or reduce or abandon existing plans for nuclear power expansion. Any one of these occurrences has the potential to reduce current and/or future demand for nuclear power, resulting in lower demand for uranium and lower market prices for uranium, adversely affecting the Company s operations and prospects. Furthermore, the growth of the nuclear and uranium industries is dependent on continuing and growing public support of nuclear power as a viable source of electricity generation.

The marketability of uranium concentrates will be affected by numerous factors beyond our control which may result in our inability to receive an adequate return on our invested capital.

The marketability of uranium concentrates extracted by us will be affected by numerous factors beyond our control. These factors include macroeconomic factors, fluctuations in the market price of uranium, governmental regulations, land tenure and use, regulations concerning the importing and exporting of uranium and environmental protection regulations. The future effects of these factors cannot be accurately predicted, but any one or a combination of these factors may result in our inability to receive an adequate return on our invested capital.

The uranium industry is highly competitive and we may not be successful in acquiring additional projects.

The uranium industry is highly competitive, and our competition includes larger, more established companies with longer operating histories that not only explore for and produce uranium, but also market uranium and other products on a regional, national or worldwide basis. Due to their greater financial and technical resources, we may not be able to acquire additional uranium projects in a competitive bidding process involving such companies. Additionally, these larger companies have greater resources to continue with their operations during periods of depressed market conditions.

We hold mineral rights in foreign jurisdictions which could be subject to additional risks due to political, taxation, economic and cultural factors.

We hold certain mineral rights located in Paraguay through the acquisition of Piedra Rica Mining S.A. and Transandes Paraguay S.A., both companies incorporated in Paraguay. Operations in foreign jurisdictions outside of the U.S. and

Canada, especially in developing countries, may be subject to additional risks as they may have different political, regulatory, taxation, economic and cultural environments that may adversely affect the value or continued viability of our rights. These additional risks include, but are not limited to: (i) changes in governments or senior government officials; (ii) changes to existing laws or policies on foreign investments, environmental protection, mining and ownership of mineral interests; (iii) renegotiation, cancellation, expropriation and nationalization of existing permits or contracts; (iv) foreign currency controls and fluctuations; and (v) civil disturbances, terrorism and war.

In the event of a dispute arising at our foreign operations in Paraguay, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the courts in the United States or Canada. We may also be hindered or prevented from enforcing our rights with respect to a government entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a foreign court may have a material and adverse impact on our business, prospects, financial condition and results of operations.

There is no guarantee that title to our mineral property interests will not be challenged.

Although we have taken reasonable measures to ensure proper title to our interests in mineral properties and other assets, there is no guarantee that the title to any of such interests will not be challenged. No assurance can be given that we will be able to secure the grant or the renewal of existing mineral rights and tenures on terms satisfactory to us, or that governments in the jurisdictions in which we operate will not revoke or significantly alter such rights or tenures or that such rights or tenures will not be challenged or impugned by third parties, including local governments, aboriginal peoples or other claimants. Our mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. A successful challenge to the precise area and location of our claims could result in us being unable to operate on our properties as permitted or being unable to enforce our rights with respect to our properties.

Due to the nature of our business, we may be subject to legal proceedings which may divert management s time and attention from our business and result in substantial damage awards.

Due to the nature of our business, we may be subject to numerous regulatory investigations, civil claims, lawsuits and other proceedings in the ordinary course of our business including those described under Item 3. Legal Proceedings. No reserves have been established for any potential liability relating to these lawsuits. The outcome of these lawsuits is uncertain and subject to inherent uncertainties, and the actual costs to be incurred will depend upon many unknown factors. We may be forced to expend significant resources in the defense of these suits, and we may not prevail. Defending against these and other lawsuits in the future may not only require us to incur significant legal fees and expenses, but may become time-consuming for us and detract from our ability to fully focus our internal resources on our business activities. The results of any legal proceeding cannot be predicted with certainty due to the uncertainty inherent in litigation, the difficulty of predicting decisions of regulators, judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on our business, results of operations or financial position.

We depend on certain key personnel, and our success will depend on our continued ability to retain and attract such qualified personnel.

Our success is dependent on the efforts, abilities and continued service of certain senior officers and key employees and consultants. A number of our key employees and consultants have significant experience in the uranium industry. A loss of service from any one of these individuals may adversely affect our operations, and we may have difficulty or may not be able to locate and hire a suitable replacement.

Certain directors and officers may be subject to conflicts of interest.

The majority of our directors and officers are involved in other business ventures including similar capacities with other private or publicly-traded companies. Such individuals may have significant responsibilities to these other business ventures, including consulting relationships, which may require significant amounts of their available time. Conflicts of interest may include decisions on how much time to devote to our business affairs and what business opportunities should be presented to us. Our Code of Business Conduct for Directors, Officers and Employees provides for guidance on conflicts of interest.

The laws of the State of Nevada and our Articles of Incorporation may protect our directors and officers from certain types of lawsuits.

The laws of the State of Nevada provide that our directors and officers will not be liable to the Company or its stockholders for monetary damages for all but certain types of conduct as directors and officers of the Company. Our Bylaws provide for broad indemnification powers to all persons against all damages incurred in connection with our business to the fullest extent provided or allowed by law. These indemnification provisions may require us to use our limited assets to defend our directors and officers against claims, and may have the effect of preventing stockholders from recovering damages against our directors and officers caused by their negligence, poor judgment or other circumstances.

Several of our directors and officers are residents outside of the U.S., and it may be difficult for stockholders to enforce within the U.S. any judgments obtained against such directors or officers.

Several of our directors and officers are nationals and/or residents of countries other than the U.S., and all or a substantial portion of such persons' assets are located outside of the U.S. As a result, it may be difficult for investors to effect service of process on such directors and officers, or enforce within the U.S. any judgments obtained against such directors and officers, including judgments predicated upon the civil liability provisions of the securities laws of the U.S. or any state thereof. Consequently, stockholders may be effectively prevented from pursuing remedies against such directors and officers under U.S. federal securities laws. In addition, stockholders may not be able to commence an action in a Canadian court predicated upon the civil liability provisions under U.S. federal securities laws. The foregoing risks also apply to those experts identified in this document that are not residents of the U.S.

Disclosure controls and procedures and internal control over financial reporting, no matter how well designed and operated, are designed to obtain reasonable, and not absolute, assurance as to its reliability and effectiveness.

Management s evaluation on the effectiveness of disclosure controls and procedures is designed to ensure that information required for disclosure in our public filings is recorded, processed, summarized and reported on a timely basis to our senior management, as appropriate, to allow timely decisions regarding required disclosure. Management s report on internal control over financial reporting is designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported. Any system of controls, no matter how well designed and operated, is based in part upon certain assumptions designed to obtain reasonable, and not absolute, assurance as to its reliability and effectiveness.

Risks Related to Our Common Stock

Historically, the market price of our common stock has been and may continue to fluctuate significantly.

On September 28, 2007, our common stock commenced trading on the NYSE MKT Equities Exchange (formerly known as the American Stock Exchange and the NYSE Amex Equities Exchange) and prior to that, traded on the OTC Bulletin Board.

The global markets have experienced significant and increased volatility in the past, and have been impacted by the effects of mass sub-prime mortgage defaults and liquidity problems of the asset-backed commercial paper market, resulting in a number of large financial institutions requiring government bailouts or filing for bankruptcy. The effects of these past events and any similar events in the future may continue to or further affect the global markets, which may directly affect the market price of our common stock and our accessibility for additional financing. Although this volatility may be unrelated to specific company performance, it can have an adverse effect on the market price of our shares which, historically, has fluctuated significantly and may continue to do so in the future.

In addition to the volatility associated with general economic trends and market conditions, the market price of our common stock could decline significantly due to the impact of any one or more events, including, but not limited to, the following: (i) volatility in the uranium market; (ii) occurrence of a major nuclear incident such as the events in Fukushima in March 2011; (iii) changes in the outlook for the nuclear power and uranium industries; (iv) failure to meet market expectations on our exploration, pre-extraction or extraction activities, including abandonment of key uranium projects; (v) sales of a large number of our shares held by certain stockholders including institutions and insiders; (vi) downward revisions to previous estimates on us by analysts; (vii) removal from market indices; (viii) legal claims brought forth against us; and (ix) introduction of technological innovations by competitors or in competing technologies.

A prolonged decline in the market price of our common stock could affect our ability to obtain additional financing which would adversely affect our operations.

Historically, we have relied on equity financing and more recently, on debt financing, as primary sources of financing. A prolonged decline in the market price of our common stock or a reduction in our accessibility to the global markets may result in our inability to secure additional financing which would have an adverse effect on our operations.

Additional issuances of our common stock may result in significant dilution to our existing shareholders and reduce the market value of their investment.

We are authorized to issue 750,000,000 shares of common stock of which 90,966,558 shares were issued and outstanding as of July 31, 2014. Future issuances for financings, mergers and acquisitions, exercise of stock options and share purchase warrants and for other reasons may result in significant dilution to and be issued at prices substantially below the price paid for our shares held by our existing stockholders. Significant dilution would reduce the proportionate ownership and voting power held by our existing stockholders, and may result in a decrease in the market price of our shares.

We filed a Form S-3 Shelf Registration Statement, which was declared effective on January 10, 2014. This Shelf Registration Statement provides for the public offer and sale of certain securities of the Company from time to time, at our discretion, up to an aggregate offering amount of $100 million.

We are subject to the Continued Listing Criteria of the NYSE MKT and our failure to satisfy these criteria may result in delisting of our common stock.

Our common stock is currently listed on the NYSE MKT. In order to maintain this listing, we must maintain certain share prices, financial and share distribution targets, including maintaining a minimum amount of shareholders equity and a minimum number of public shareholders. In addition to these objective standards, the NYSE MKT may delist the securities of any issuer if, in its opinion, the issuer s financial condition and/or operating results appear unsatisfactory; if it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on the NYSE MKT inadvisable; if the issuer sells or disposes of principal operating assets or ceases to be an operating company; if an issuer fails to comply with the NYSE MKT s listing requirements; if an issuer s common stock sells at what the NYSE MKT considers a low selling price and the issuer fails to correct this via a reverse split of shares after notification by the NYSE MKT; or if any other event occurs or any condition exists which makes continued listing on the NYSE MKT, in its opinion, inadvisable.

If the NYSE MKT delists our common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for our securities, reduced liquidity, decreased analyst coverage of our securities, and an inability for us to obtain additional financing to fund our operations.

Item 1B. Unresolved Staff Comments

Not Applicable

Item 2. Properties

General

At July 31, 2014, we held mineral rights in uranium projects located in the U.S. States of Arizona, Colorado, New Mexico, Texas and Wyoming and in the Republic of Paraguay by way of federal mining claims, state and private mineral leases and mineral concessions. We also held a wholly-owned uranium processing facility located in the State of Texas, the Hobson Processing Facility, which processed material extracted from the Palangana Mine.

We have not established proven or probable reserves, as defined by 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 ISR mining, such as the Palangana Mine.

Texas Processing Facility and Projects

The following map shows the location of our Hobson Processing Facility and main projects in Texas:

Hobson Processing Facility

Property Description and Location

The Hobson Processing Facility is a fully-licensed and permitted in-situ recovery or ISR uranium processing plant designed to process uranium-loaded resins from satellite ISR mining facilities to the final product, U_3O_8 or yellowcake. The Hobson Processing Facility was originally constructed in 1978 and served as a central processing site for several satellite ISR mining projects until 1996. It was completely refurbished in 2008 and on December 18, 2009, we acquired the Hobson Processing Facility through the acquisition of South Texas Mining Venture, L.L.P.

The Hobson Processing Facility is located in Karnes County, Texas on a 7.286 -acre leased tract of land, approximately one mile south of the community of Hobson and about 100 miles northwest of Corpus Christi, Texas. The surface lease of the Hobson Processing Facility is for an initial term of five years commencing May 30, 2007, and thereafter so long as uranium, thorium and other fissionable or spatially associated substances are being processed or refined without cessation of more than five consecutive years.

The Hobson Processing Facility has a physical capacity to process two million pounds of U_3O_8 annually and is licensed to process up to one million pounds of U_3O_8annually, which provides for the capacity to process uranium-loaded resins from a number of satellite ISR mining facilities in South Texas. We utilize a hub-and-spoke strategy whereby the Hobson Processing Facility acts as our central uranium processing site (the hub) for the Palangana Mine and for future satellite ISR mines, such as the Goliad and Burke Hollow Projects, (the spokes) located within the South Texas Uranium Belt.

In January 2011, the Hobson Processing Facility began processing uranium-loaded resins received from the Palangana Mine upon commencement of uranium extraction in November 2010. Since then to July 31, 2014, the Hobson Processing Facility has processed 560,000 pounds of uranium concentrates.

Uranium Processing System

Once the uranium-loaded resin from the satellite ISR mining facility is delivered to the Hobson Processing Facility by semi-truck/trailer, the material is transferred and placed in a pressure vessel for elution which involves flushing with a brine solution. The uranium is stripped from the resin in a three-stage elution process and concentrated into a rich eluate tank, at which point the solution is analyzed for total uranium concentration. After the uranium is eluted from the resin, the resin is washed to remove excess brine solution, transferred back to the trailer and returned to the satellite ISR mining facility to again begin the cycle of capturing uranium from the wellfield, transport to the Hobson Processing Facility and subsequent elution.

The uranium-rich solution remaining at the Hobson Processing Facility after elution is agitated and chemicals are added to precipitate the uranium. In this precipitation process, sulfuric acid is added to reduce the pH to between 2 and 3. Hydrogen peroxide (H_2O_2) is then added at the rate of 0.2-0.5 pounds of H_2O_2 per pound of uranium while maintaining the pH of the solution between 2 and 3 using sodium hydroxide. Once the precipitation reaction is complete, the solution is allowed to set in order for the uranium to precipitate and settle to the bottom of the tank. The excess overflow is decanted to a storage tank or to the waste disposal system. All waste process solutions from the plant area report to a chemical waste storage tank and waste solutions are pumped to a Class I, non-hazardous, waste disposal well system.

The remaining material, at approximately 3-5% solids, is pumped to a filter press where the uranium is separated from the liquid. After the uranium, or yellowcake, has been filtered, fresh water is pumped through to remove the entrained salts, with the resulting liquids pumped to the fresh eluate makeup system or the waste disposal system. From the filter press, the thickened yellowcake, at 50 to 60 percent solids, is transferred to the drying package for drying and drumming. A zero-emissions vacuum dryer removes moisture from the yellowcake and a scrubber system removes

these vapors from the dryer and discharges the gases to an exhaust stack. The dried yellowcake is packaged in 55 gallon drums. Each drum is weighed, cleaned, surveyed and analyzed, after which it is transferred to a temporary yellowcake storage area at the Hobson Processing Facility. Once approximately one truckload is accumulated, the drums are then shipped to a third-party storage and sales facility.

Palangana Mine, Duval County, Texas

Property Description and Location

The Palangana Mine is located in Texas near the center of the extensive South Texas Uranium Trend. The Palangana Mine consists of multiple leases that would allow the mining of uranium by ISR methods while utilizing the land surface (with variable conditions) as needed, for mining wells and aboveground facilities for fluid processing and ore capture during the mining and groundwater restoration phases of the project. The Palangana Mine is situated in Duval County, Texas and is located approximately 25 miles west of the town of Alice, 6 miles north of the town of Benavides, 15 miles southeast of the town of Freer and 12 miles southwest of the town of San Diego, as shown in the map below:

Mineral Titles

At July 31, 2014, there were 13 leases covering 7,094 acres at the Palangana Mine. PAA-1 is on the de Hoyos leases while PAA-2, PAA-3 and the Dome trend are on the Palangana Ranch Management, LLC lease. Bordering the east side of the Palangana Ranch Management, LLC lease is the White Bell Ranch lease, comprised of 1,006 acres, which contains the Jemison Fence and Jemison East trends. The fourth major lease is the Garcia/Booth lease comprised of 1,278 acres which borders the east side of the De Hoyos property. It contains the NE Garcia and SW Garcia trends.

Lease ownership is held by STMV, which is wholly-owned by the Company.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation and Vegetation

Surface elevations at the Palangana Mine range from about 410 feet to 500 feet above sea level.

Climate and Length of Operating Season

The region's subtropical climate allows uninterrupted, year-round mining activities. Temperatures during the summer range from 75°F to 95°F, although highs above 100°F are common while winter temperatures range from 45°F to 65°F. Humidity is generally over 85% year-round and commonly exceeds 90% during the summer months. Average annual rainfall is 30 inches.

Physiography

The dome area to the west of the PAA-1 and PAA-2 deposits is a concentric collapsed area with the surrounding landscape being hilly and elevated. Surface water generally drains away from the dome area although no prominent creeks or rivers are evident.

Access to Property

The Palangana Mine occurs in the South Texas Uranium Belt between San Antonio and Corpus Christi in Duval County. Corpus Christi, the largest nearby metropolitan district, is about 65 miles to the east of the Palangana Mine accessible off Texas Highway 44 toward Freer. Halfway between San Diego and Freer is a turn-off to the south called Ranch Road 3196 that runs right through the property about eight miles from the turn. The road continues southward about six miles to the town of Benavides. Access is excellent, with major two lane roads connecting the three surrounding towns and dirt secondary roads connecting to Palangana.

Surface Rights

The uranium leaseholders under most of the current leases have conveyed the surface rights under certain conditions of remuneration. These conditions essentially require payments for surface area taken out of usage.

Local Resources and Infrastructure

The entire infrastructure is in place including office buildings, access roads, electrical power and maintenance faculties. Each property has sources of water for drilling operations for both exploration and extraction drilling.

Manpower

A nearby workforce of field technicians, welders, electricians, drillers and pipefitters exists in the local communities. The technical workforce for facility operations has largely disappeared from the area although ample qualified resources can be found in the South Texas area from the petrochemical industry.

History Prior to Acquisition by the Company

Uranium mineralization was discovered during potash exploration drilling of the Palangana Dome's gypsum-anhydrite cap rock in 1952 by Columbia Southern Inc. (CSI), a subsidiary of Pittsburgh Plate Glass Corp. CSI conducted active uranium exploration drilling on the property starting in March 1956. Records of CSI's exploration work are unavailable. However, both CSI and the U.S. Atomic Energy Commission estimated underground mineable uranium mineralization. The only known details of the estimation method include a 0.15% eU3O8 cut-off grade, a minimum

mining thickness of three feet, and widely spaced drilling on a nominal 200 foot exploration grid. Union Carbide acquired the Palangana property in 1958 and initiated underground mine development. Development work was quickly abandoned due to heavy concentrations of H_2S gas and Union Carbide dropped the property. Union Carbide reacquired Palangana in 1967 after recognizing that it would be amenable to exploitation by the emerging ISR mining technologies. During the 1960s and 1970s, Union Carbide drilled over 1,000 exploration and development holes and installed over 3,000 injection-extraction holes in a 31 acre block.

Union Carbide attempted an ISR operation from 1977 through 1979 using a push/pull injection/recovery system. Ammonia was used as the lixiviate that later caused some environmental issues with groundwater. About 340,000 lbs. of U3O8 were produced from portions of a 31 acre wellfield block. The extraction pounds indicate a 32% to 34% recovery rate. The push/pull injection/recovery system was later proven to be less productive than well configurations or patterns of injection wells around a recovery well. Further, the wellfield was developed without any apparent regard to the geology of the deposit including disequilibrium. The Union Carbide ISR work was basically conducted at a research level in contrast to the current level of knowledge. The historic extraction area lies on the western side of the dome.

Union Carbide placed the property leases up for sale in 1980. In 1981, Chevron Corporation acquired the Union Carbide leases and conducted their own resource evaluation. After the price of uranium dropped to under US$10/lb, General Atomics acquired the property and dismantled the processing plant in a property-wide restoration effort. Upon formal approval of the clean up by the Texas Natural Resources Conservation Commission and the United States Nuclear Regulatory Commission, the property was returned to the landowners in the late 1990 s. In 2005, Everest Exploration Inc. acquired the Palangana property and later joint ventured with Energy Metals Corp. through the formation of South Texas Mining Venture, L.L.P. (STMV). An independent consultant, Blackstone (2005) estimated inferred resources in an area now referred to as the Dome trend proximal to the dome on the west side north of the prior Union Carbide leach field. In 2006 and 2007, Energy Metals drilled approximately 200 additional confirmation and delineation holes. The PAA-1 and PAA-2 areas were found during this drilling program. In 2008, Energy Metals was acquired by Uranium One. During 2008 and 2009, the remaining holes on this project were drilled by Uranium One. During this time the five exploration trends to the east of the dome were identified and partially delineated. In December 2009, the Company acquired 100% ownership of STMV.

Geological Setting

South Texas geology is characterized by an arcuate belt of Tertiary fluvial clastic units deposited along the passive North American plate. These units strike parallel to the Gulf Coast between the Mexican border and Louisiana within an area known as the Mississippi Embayment. The sedimentary units are primarily of fluvial origin and were deposited by southeasterly flowing streams and rivers. Uranium deposits are contained within fault-controlled roll-fronts in the Pliocene-age Goliad Formation on the flank of the Palangana salt dome. The uranium mineralization in the Goliad Formation at Palangana occurs at a depth of approximately 220 to 600 feet below the surface.

Geological Model

Uranium mineralization in the South Texas Uranium Belt occurs as sandstone-hosted roll-front deposits. The deposits are strata-bound, elongate, and often, but not necessarily, occur in the classic C or truncated C roll configuration. They can be associated with an oxidation front or can be found in a re-reduced condition where an overprint of later reduction from hydrogen sulfide or other hydrocarbon reductant has seeped along faults and fractures. The uranium bearing sandstone units can themselves be separated into several horizons by discontinuous mudstone units, and separate roll-fronts and sub-rolls can occur in the stacked sandstone sequences.

The generally accepted origin of uranium mineralization in the Goliad Formation is from leaching of intraformational tuffaceous material or erosion of older uranium-bearing strata. The leached uranium was carried by oxygenated ground water in a hexavalent state and deposited where a suitable reductant was encountered. The oxidation/reduction (redox) fronts are often continuous for miles, although minable grade uranium mineralization is not nearly as continuous. The discontinuous nature of uranium mineralization is often characterized as beads on a string and is due to sinuous vertical and lateral fluvial facies changes in the permeable sandstone host horizons, coupled with ground water movements and the presence or absence of reducing material.

Figure 2: Schematic view of a typical uranium roll-front configuration

The red area is the uranium mineralization deposited at the interface between the oxidized (up gradient) sand shown in yellow and the reduced (down gradient) sand shown in gray. The up gradient sand has been altered by oxidizing groundwater that carried the uranium that was deposited in the roll-front at the oxidation/reduction (redox) interface. The uranium mineralization is hydrologically confined by an upper and lower confining layer of shale or mudstone. At wellfields, extraction (pumping) wells have been completed near the center of the roll-front and are fed lixiviate (leach solutions) by injection wells on each side of the front.

Mineralized Zones and Historical Drilling Results

As stated previously, mineralization does not occur in all of the Goliad sands nor does it persist in the same sand intervals across the dome area. On the west half of the dome near what is referred to as the Dome trend, Union Carbide developed the C sand zone. The NW Garcia and SE Garcia trends to the east of the dome also reside in the C sand zone. Also to the east of the dome, the PAA-2 deposit, as well as the PAA-3 deposit, Jemison Fence and Jemison East trends all occur in the E sand, while the PAA-1 deposit occurs in the G sand. Within these mineralized horizons, smaller roll fronts are evident that can be mapped as discrete bodies. Some of these bodies contain economic mineralization while others do not. The mineralized horizons occur as stacked intervals often separated by claystones. Generally they overlap one another but there are differences making a concurrent, multiple-horizon recovery scenario not uniformly effective.

The table below summarizes the historical drilling results at the Palangana Mine prior to its acquisition by the Company effective December 18, 2009:

Trend	Total # DHs	Max. Depth (feet)	Avg. Depth (feet)	#of Mineralized Intervals	Interval Thickness Range (feet)	Interval Thickness Avg. (feet)
PAA-1	518	660	565	389	0.5 13.5	5.24
PAA-2	239	600	337.5	186	0.5 13.5	5.79
PAA-3	69	520	417	49	2.0 18.5	5.9
Jemison East	53	560	434	17	1.0 11.0	4.4
NE Garcia	186	600	344	158	0.5 20.0	4.6
SW Garcia	84	600	367	45	0.5 11.0	4.6
Dome	231	600	346	239	0.5 12.5	4.1

Update to July 31, 2014

Since commencing uranium extraction at the Palangana Mine in November 2010 to July 31, 2014, the Hobson Processing Facility has processed 560,000 pounds of uranium concentrates extracted directly from the Palangana Mine utilizing ISR methods. A summary by PAA is provided below:

1) PAA-1 commenced uranium extraction in November 2010 and remains fully-permitted. With 69 monitor wells already in place prior to our acquisition of the Palangana Mine, we drilled a total of 201 holes for well control facilities and wellfields including injection and extraction wells and infield drilling efforts. During Fiscal 2014, an additional seven wells were drilled as part of infield drilling efforts to increase uranium recovery;
2) PAA-2 commenced uranium extraction in March 2012 and remains fully-permitted. With 43 monitor wells already in place prior to our acquisition of the Palangana Mine, we drilled a total of 63 holes for well control facilities and wellfields including injection and extraction wells and infield drilling efforts. During Fiscal 2014, an additional two wells were drilled as part of infield drilling efforts to increase uranium recovery;
3) PAA-3 commenced uranium extraction in December 2012 and remains fully-permitted. We drilled a total of 345 holes for mineral trend exploration and delineation, monitor wells, well control facilities and wellfields including injection and extraction wells and infield drilling efforts. During Fiscal 2014, an additional five wells were drilled as part of permitting and infield drilling efforts to increase uranium recovery;
4) Technical review of the PAA-4 production area authorization application submitted to the TCEQ in May 2013 has been completed. We drilled a total of 209 holes for mineral trend exploration and delineation and for monitor wells. All monitor wells were sampled for baseline parameters and a pumping test has been completed;
5) Technical review of the mine area amendment application for PAA-5 submitted to the TCEQ in May 2013 has been completed. We drilled a total of 40 holes for mineral trend exploration and delineation and a monitor well; and
6) Technical review of the mine area amendment application for PAA-6 submitted to the TCEQ in May 2013 has been completed. We drilled a total of six holes for mineral trend exploration and delineation and a monitor well.

On September 5, 2013, we announced a strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, most notably the uranium spot price being at historical lows. As a result, uranium extraction at PAA-1, 2 and 3 of the Palangana Mine operated at a reduced pace during Fiscal 2014, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices.

As a consequence, U3O8 pounds extracted from the Palangana Mine and processed at the Hobson Processing Facility decreased significantly during Fiscal 2014. The Hobson Processing Facility processed finished goods representing 43,000 pounds of U3O8 during Fiscal 2014 (Fiscal 2013: 194,000 pounds; Fiscal 2012: 198,000 pounds) extracted solely from the Palangana Mine. Based on the Company's estimate of mineralized materials in PAA 1, 2 and 3 over which an average mining grade of 0.135% has been established, cumulative recovery since the commencement of uranium extraction in November 2010 to July 31, 2014 was 43% (July 31, 2013: 40%; July 31, 2012: 31%).

The following table summarizes the drill holes completed by the Company during Fiscal 2014:

Trend	Total # DHs	Max. Depth (feet)	Avg. Depth (feet)
PAA-1	7	580	550
PAA-2	2	320	320
PAA-3	5	420	348

The following table summarizes the drill holes completed by the Company from December 18, 2009, the date of the Company s acquisition of STMV, to July 31, 2014:

Trend	Total # DHs	Max. Depth (feet)	Avg. Depth (feet)
PAA-1	201	610	541
PAA-2	63	370	305
PAA-3	345	620	396
PAA-4	209	640	437
PAA-5	40	520	370
SW Garcia	6	620	568
Dome	56	500	355

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for 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 ISR mining, such as the Palangana Mine. Since we commenced extracting mineralized materials at the Palangana Mine without having established proven and 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.

Goliad Project, Goliad County, Texas

Property Description and Location

The Goliad Project is comprised of 18 leases covering 1,862 acres located in Texas near the northeast end of the extensive South Texas Uranium Trend. The Goliad Project consists of multiple leases that would allow the mining of uranium by ISR methods while utilizing the land surface (with variable conditions) as needed, for mining wells and aboveground facilities for fluid processing and ore capture during the mining and groundwater restoration phases of the project. The Goliad Project area is about 14 miles north of the town of Goliad and is located on the east side of US route 77A/183, a primary highway that intersects with US 59 in Goliad and IH-10 to the north. The approximate center of the project area is 28 d 52' 7" N latitude, 97 d 20' 36" W longitude. Site drilling roads are mostly gravel based and allow reasonable weather access for trucks and cars. Four-wheel drive vehicles may be needed during high rainfall periods. A location map for the Goliad Project is shown below:

Virtually all mining in Texas is on private lands with leases negotiated with each individual landowner/mineral owner. Moore Energy Corporation (Moore Energy) obtained leases for exploration work in the project area in the early 1980s and completed an extensive drilling program resulting in a historic uranium mineral estimate in 1985. We obtained mining leases from individuals and by assignment from a private entity in 2006.

At July 31, 2014, we held 18 leases ranging in size from 14 acres to 293 acres, for a total of 1,862 acres. The majority of the leases have starting dates in 2005 or 2006 with an initial term of five years and a five-year renewal option. The various lease fees and royalty conditions are negotiated with individual lessors and terms may vary from lease to lease. The Company has amended the majority of the leases to extend the time period for an additional five years past the five-year renewal option period.

No historic uranium mining is known to have occurred on any of the Goliad Project lease properties and only state permitted uranium exploration drilling has taken place. There are believed to be no existing environmental liabilities at the property leases. Prior to any mining activity at the Goliad Project, we are required to obtain a Radioactive Materials License, a large area Underground Injection Control (UIC) Mine permit and a PAA permit for each wellfield developed for mining within the Mine Permit area. In addition, a waste disposal well will, if needed, require a separate UIC Permit. These permits will be issued by Texas regulatory agencies. The current drilling and abandonment of uranium exploration holes on any of the leases is permitted by the Texas Railroad Commission. Potential future environmental liability as a result of the mining must be addressed by the permit holder jointly with the permit granting agency. Most permits now have bonding requirements for ensuring that the restoration of groundwater, the land surface and any ancillary facility structures or equipment is properly completed.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Goliad Project area is situated in the interior portion of the Gulf Coastal Plain physiographic province. The area is characterized by rolling topography with parallel to sub-parallel ridges and valleys. There is about 130 feet of relief at the site with ground surface elevations ranging from a low of 150 to a high of 280 feet above mean sea level. The leased property for the Goliad Project is used mostly for livestock grazing pasture and woodland. The overall property area is shown as having a Post Oak Woods, Forest, and Grassland Mosaic vegetation/cover type.

The site property is accessed from combined route US 77A/183 that trends north-south to the west of the property. Highway FM 1961 intersects with 77A-183 at the crossroad town of Weser. Highway FM 1961 to the east of the intersection trends along the south side of the property. Access from either of these roads into the property is via vehicular traffic on private gravel roads.

The property is in a rural setting at the north end of Goliad County. The nearest population centers are Goliad (14 miles south), Cuero (18 miles north) and Victoria (about 30 miles east). While Goliad and Cuero are relatively small towns, they provide basic needs for food and lodging and some supplies. Victoria is a much larger city and provides a well-developed infrastructure that has resulted from being a regional center to support oil and gas exploration and production. The Goliad Project site area generally has very good accessibility for light to heavy equipment. There is an excellent network of county, state and federal highways that serve the region and the moderate topography, with dominantly sandy, well-drained soils, provides good construction conditions for building gravel site roads necessary for site access.

The climate in Goliad County is mild with hot summers and cool to warm winters. The moderate temperatures and precipitation result in excellent conditions for developing an ISR mine. Periods of freezing temperatures are generally very brief and infrequent. Tropical weather from the Gulf of Mexico can occur during the hurricane season and may affect the site area with large rain storms. The periodic freezing weather and abnormally large rainfalls are the primary conditions that can cause temporary shutdowns. Otherwise there is not a regular non-operating season.

The necessary rights for constructing needed surface processing facilities are in-place on selected lease agreements. Sufficient electric power is believed to be available in the area; however, new lines may be needed to bring additional service to the plant site and wellfields. We believe that within a 30 mile radius of the planned Goliad Project facility there is located sufficient population to supply the necessary number of suitable mining personnel.

History

Ownership History of the Property

The Goliad Project site is located in the north-central portion of Goliad County to the east and north of the intersection of U.S. Routes 77A/183 and Farm to Market Route 1961. There has been a long history of oil and gas exploration and production in the area and oil and gas is still a primary part of the economy for the relatively lightly populated county. In the period from October 1979 to June 1980, as a part of a large oil, gas and other minerals lease holding (approximately 55,000 acres), Coastal Uranium utilized the opportunity to drill several widely spaced exploration holes in the region. There were reported to be eight holes drilled at or near the Goliad Project area.

In the early 1980s Moore Energy obtained access to review some of the Coastal States wide-spaced drilling exploration data. The review resulted in Moore Energy obtaining several leases from Coastal Uranium, including several of the current Goliad Project leases. During the period from March 1983 through August 1984, Moore Energy conducted an exploration program in the Goliad Project area. No further drilling was done at the Goliad Project area until we obtained the leases through assignment from a private entity and from individual mineral owners.

Exploration and Pre-Extraction Work Undertaken

This description of previous exploration and pre-extraction work undertaken at the Goliad Project is based primarily on electric logs and maps produced by Moore Energy during the period 1983 to 1984. Moore Energy completed 479 borings on various leases. Eight widespread exploration borings were completed by Coastal Uranium in 1980. We obtained leases through an assignment from a private entity in 2006 and from individual mineral owners thereafter, and began confirmation drilling in May 2006.

In December 2010, the TCEQ approved the mine permit and the production area authorization for PAA-1 and granted the request for the designation of an Exempt Aquifer for the Company. In December 2011, a Radioactive Material License was issued by the TCEQ. All other state-level permits and authorizations have been received including a Class III Injection Well Permit (Mine Permit), two Class I Injection Well Permits (disposal well permits), a PAA for its first production area, a Permit by Rule (air permit exemption) and an aquifer exemption for which the Company received concurrence from the regional EPA.

A Technical Report dated March 7, 2008 for Goliad, prepared in accordance with the provisions of National Instrument 43-101, Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators (NI 43-101), was completed by Thomas A. Carothers, P.G., a consulting geologist, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. As required by NI 43-101, the Technical Report contains certain disclosure relating to measured, indicated and inferred mineral resource estimates for the Company's Goliad Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Measured mineral resources, indicated mineral resources and inferred mineral resources, while recognized and required by Canadian regulations, are not defined terms under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources or inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported measured mineral resources, indicated mineral resources or inferred mineral resources referred to in the Technical Report are economically or legally mineable.

Geological Setting

Regional Geology

The Goliad Project area is situated in the Texas Gulf Coastal Plain physiographic province that is geologically characterized by sedimentary deposits that typically dip and thicken toward the Gulf of Mexico from the northwest source areas. Additionally, the regional dip generally increases with distance in the down dip direction as the overall thickness of sediments increase. The sedimentary units are dominantly continental clastic deposits with some near shore and shallow marine facies. The uranium-bearing units are virtually all sands and sandstones in Tertiary formations ranging in age from Eocene (oldest) to Upper Miocene (youngest).

Local and Property Geology

The surface of the property is all within the outcrop area of the Goliad Formation (Figure 4-3). The mineralized units are sands and sandstone within the Goliad Formation and are designated by us as the A through D sands from younger (upper) to older (lower), respectively. The sand units are generally fine to medium grained sands with silt and varying amounts of secondary calcite. The sand units vary in color depending upon the degree of oxidation-reduction and could be from light brown-tan to grays. The sands units are generally separated from each other by silty clay or clayey silts that serve as confining units between the sand units.

The Goliad Formation at the project site occurs from the surface to a depth of about 500 feet. Depending upon the land surface elevation, groundwater occurs in the sands of the formation below depths of about 30 to 60 feet. The four sand/sandstone zones (A-D) designated as containing uranium mineralization at the site are all considered to be a part of the Gulf Coast Aquifer on a regional basis. At the project area, however, each zone is a hydrogeologic unit with similar but variable characteristics. The A zone is the uppermost unit and based on resistance logs, groundwater in this unit may be unconfined over portions of the site. The three deeper zones are confined units with confining clays and silts above and below the water-bearing unit.

Groundwater from sands of the Goliad Formation is used for water supplies over much of the northern portion of Goliad County. Water quality in the Goliad Formation is variable and wells typically can yield small to moderate amounts of water. Data indicates an approximate average hydraulic conductivity of the water-bearing zones of the Goliad Formation in Goliad County is 100 gallons per day per square foot. Based on this value, a 20 foot sand unit would have an approximate transmissivity of 2,000 gallons per day. With sufficient available drawdown properly completed ISR wells could have average yields in the range of 25 to 50 gallons per minute.

The site area structures include two faults that intersect and offset the mineralized units. These faults are normal, with one downthrown toward the coast and one downthrown toward the northwest. The fault throws range from about 40 to 80 feet.

Project Type

The Goliad uranium project is characteristic of other known Goliad sand / sandstone deposits in south Texas. The mineralization occurs within fluvial sands and silts as roll front deposits that are typically a "C" or cutoff "C" shape. The roll fronts are generally associated with an extended oxidation-reduction boundary or front.

The other Goliad projects in the region include the Palangana Mine, the Kingsville Dome mine southeast of Kingsville, the Rosita mine west of Alice, the Mestena mine in Brooks County and the former Mt. Lucas mine at Lake Corpus Christi. These mines are all located south of the Goliad Project from about 60 to 160 miles. The average tons and uranium grade information for these mines is not known, but all these ISR projects mining Goliad Formation sand units have been very successful with the following characteristics in common: excellent leaching characteristics rate, and favorable hydraulic conductivity of host sands.

At the Goliad Project there are four stacked mineralized sand horizons (A-D) that are separated vertically by zones of finer sand, silt and clay. Deposition and concentration of uranium in the Goliad Formation likely resulted due to a combination of leaching of uranium from volcanic tuff or ash deposits within the Goliad Formation or erosion of uranium-bearing materials from older Oakville deposits. The leaching process occurred near the outcrop area where recharge of oxidizing groundwater increased the solubility of uranium minerals in the interstices and coating sand grains in the sediments. Subsequent downgradient migration of the soluble uranium within the oxygenated groundwater continued until the geochemical conditions became reducing and uranium minerals were deposited in roll front or tabular bodies due to varying stratigraphic or structural conditions.

There are at least two northeast-southwest trending faults at the Goliad property that are likely related to the formation of the Goliad Project mineralization. The northwesterly fault is a typical Gulf Coast normal fault, downthrown toward the coast, while the southeastern fault is downthrown to the northwest, forming a graben structure. Both faults are normal faults. Throw on the northwest fault is about 75 feet and the southeast fault has about 50 feet of throw. The presence of these faults is likely related to the increased mineralization at the site. The faulting has probably served as a conduit for reducing waters-gases to migrate from deeper horizons as well as altering the groundwater flow system in the uranium-bearing sands.

Mineralization

The Goliad Project uranium-bearing units occur as multiple roll front type structures in vertically stacked sands and sandstones. Groundwater flowing from northwest to southeast in the Goliad sands likely contained low concentrations of dissolved uranium resulting from oxidizing conditions and the relatively short distance from the recharge area. The geochemical conditions in the sands near our property changed from oxidizing to reducing due to an influx of reductants. Hydrogen sulfide and/or methane dissolved in groundwater are likely sources of creating a reduction-oxidation boundary in the area with consequent precipitation and concentration of uranium mineralization.

Specific identification of the uranium minerals has not been done at the Goliad Project. The very fine uranium minerals found coating quartz grains and within the interstices in most south Texas sand and sandstone roll-front deposits has generally been found to be dominantly uraninite. No uraninite has been identified on the Goliad Project and the presence of uraninite on other properties does not mean that such mineralization will be found on the Goliad Project. Detailed petrographic examination of disseminated uranium mineralization within sands/sandstones is generally not suitable for identification of the specific uranium minerals. Laboratory equipment such as x-ray diffraction units may be used to identify the minerals, however the specific mineral species typically found in reduced sands are generally similar in south Texas ISR projects and leaching characteristics are also similar. Based on the experience of the ISR mines throughout south Texas, the use of gamma-ray logging with a calibrated logging probe has become the standard method to determine the thickness and estimated grade of uranium bearing minerals.

At the project site the Goliad Formation is exposed at the surface and extends to depths exceeding 500 feet. Uranium mineralization occurs in four sand/sandstone units that are all below the saturated zone. The zones are designated A to D from the top to the bottom of the sequence. The sands are fluvial-deltaic in origin, and thicken and thin across the project site. Each Zone is hydrologically separated by 10 to 50 feet or more of clay or silty clay. The uranium deposits are tabular in nature and can range from about one foot to over 45 feet in thickness. The "C"-shaped configuration is typically convex in a downdip direction with leading edge tails on the upper end. Most of the exploration and delineation holes with elevated gamma ray log anomalies are situated within a southwest-northeast trending graben and most of the gamma ray anomaly holes are situated along the northernmost of the two faults comprising the graben. This northernmost fault is downthrown to the southeast, which is typical for the majority of faults along the Texas coastal area.

Leach Amenability

Mineral processing or metallurgical testing was not reported as being conducted on any of the samples drilled or recovered during the Moore Energy exploration in the mid-1980s. We submitted selected core samples from our core hole # 30892-111C to Energy Laboratories, Inc. in Casper, Wyoming, in January 2007. These samples from the Goliad Project were sent to the laboratory for leach amenability studies intended to demonstrate that uranium mineralization at the property was capable of being leached using conventional in situ leach chemistry. The tests do not approximate other in-situ variables (permeability, porosity, and pressure) but provide an indication of a sample's reaction rate and the potential chemical recovery.

Split sections of core were placed in laboratory containers and a lixiviate solution with 2.0 grams per liter HCO_3 ($NaHCO_3$) and either 0.50 or 0.25 g/L of H_2O_2 (hydrogen peroxide) was added to each test container. The containers were then rotated at 30 rpm for 16 hours. The lixiviate was then extracted from each test container and analyzed for uranium, molybdenum, sodium, sulfate, alkalinity (bicarbonate, carbonate), pH and conductance. A clean charge of lixiviate was added and the container rotated another 16 hours. Each sample rotation and lixiviate charge cycle was representative of five pore volumes with chemical analyses after each cycle. The cycle was repeated for a total of six cycles or the equivalent of 30 pore volumes.

The four core samples subjected to the leach amenability tests were determined to contain from 0.04% to 0.08% cU_3O_8 before testing. Leach tests conducted on the core samples from the A Zone indicate leach efficiencies of 60 to

80% U_3O_8 extraction, while the tails analyses indicate efficiencies of 87-89%. The differences between the two calculations involve the loss of solid clay based materials during multiple filtrations. Based on post leach solids analysis, the core intervals were leachable to a very favorable 86 to 89%. After tests the tails were reanalyzed for uranium concentration to determine the recovery, which ranged on the four samples using two methods from 60% to 89%.

Laboratory amenability testing of the cores samples indicated the uranium (dissolved elemental U) recoveries ranged from 86.4% to 88.9% in the four tests. These results show that the mineralized intervals at the Goliad Project are very amenable to ISR mining even when exposed to only one-half of the oxidant concentration normally used in the Leach Amenability test. Based on the Company's experience with ISR mining of Catahoula and Oakville uranium deposits, as well as discussions with other Goliad deposit mining personnel, the geologically younger deposits in Texas (Goliad formation) have been the most amenable to in situ leaching. The uranium recovery is generally more complete (% recovery) and occurs in a shorter time period. Both of these factors are important for ISR pre-extraction economics.

Based on the amenability test results, the size of the mineralization at the Goliad Project, the geologic setting and the current and projected future demand and price of uranium, the most feasible and cost effective mining method for the Goliad property uranium is by ISR. This method is most suitable for the size and grade of the deposits in sands that are below the water table and situated at depths that would be prohibitive for open pit or underground mining.

The amenability testing described above was conducted on core recovered from four depth intervals from one boring. While this was a limited sampling for this property, the samples are believed to be generally representative of the characteristics of the mineralized intervals and the determined recovery ranges for these intervals is considered to be reliable. Two of the four samples tested contained approximately 0.08% $cU_3O_8$and two contained lower grades of uranium (~0.04% cU_3O_8). Energy Laboratories, Inc. in Casper, Wyoming, conducted the laboratory testing for this project. The laboratory has been in business since 1952, is fully certified, but not ISO certified. Certifications include the US Environmental Protection Agency, US Nuclear Regulatory Commission and the following US states: Arizona, California, Colorado, Florida, Indiana, Nevada, Oregon, South Dakota, Texas, Utah and Washington.

Update to July 31, 2014

- In May 2010, the Waste Disposal Well Permit was issued by the TCEQ;
- In April 2011, the Mine Area Permit was issued by the TCEQ;
- In April 2011, the PAA-1 Permit was issued by the TCEQ;
- In December 2011, the Radioactive Materials License was issued by the TCEQ;
- In December 2012, EPA concurrence was received for an Aquifer Exemption which was the last and final permit needed to begin uranium extraction;
- In June 2014, the EPA reaffirmed its earlier decision to uphold the granting of the Company s existing AE, with the exception of a northwestern portion containing less than 10% of the uranium resource which was withdrawn, but not denied, from the AE area until additional information is provided in the normal course of mine development;
- During Fiscal 2014, 34 delineation holes totaling 9,819 feet were drilled at the Goliad Project to depths ranging from a minimum of 160 feet to a maximum of 480 feet, with an average depth of 289 feet. At July 31, 2014, approximately 992 confirmation-delineation holes totaling 348,434 feet have been drilled by the Company to confirm and expand the mineralization base at the Goliad Project;
- Construction of a three-phase electrical power system for the entire project and a large caliche site pad for the main plant complex and disposal well were completed; and
- Processing equipment for the construction of the satellite facility and wellfield including long-lead items such as ion exchange vessels were received.

On or about March 9, 2011, the TCEQ granted the Company s applications for a Class III Injection Well Permit, Production Area Authorization and Aquifer Exemption for its Goliad Project. On or about December 4, 2012, the U.S. Environmental Protection Agency (the EPA) concurred with the TCEQ issuance of the Aquifer Exemption permit (the AE). With the receipt of this concurrence, the final authorization required for uranium extraction, the Goliad Project achieved fully-permitted status. On or about May 24, 2011, a group of petitioners, inclusive of Goliad County, appealed the TCEQ action to the 250th District Court in Travis County, Texas. A motion filed by the Company to intervene in this matter was granted. The petitioners appeal lay dormant until on or about June 14, 2013, when the petitioners filed their initial brief in support of their position. On or about January 18, 2013, a different group of

petitioners, exclusive of Goliad County, filed a petition for review with the Court of Appeals for the Fifth Circuit in the United States (the Fifth Circuit) to appeal the EPA s decision. On or about March 5, 2013, a motion filed by the Company to intervene in this matter was granted. The parties attempted to resolve both appeals and, to facilitate discussions and to avoid further legal costs, the parties jointly agreed, through mediation which was initially conducted through the Fifth Circuit on or about August 8, 2013, to abate the proceedings in the State District Court. On or about August 21, 2013, the State District Court agreed to abate the proceedings. The EPA subsequently filed a motion to remand without vacatur with the Fifth Circuit wherein the EPA's stated purpose was to elicit additional public input and further explain its rationale for the approval. In requesting the remand without vacatur, which would allow the AE to remain in place during the review period, the EPA denied the existence of legal error and stated that it was unaware of any additional information that would merit reversal of the AE. The Company and the TCEQ filed a request to the Fifth Circuit for the motion to remand without vacatur, if granted, to be limited to a 60-day review period. On December 9, 2013, by way of a procedural order from a three-judge panel of the Fifth Circuit, the Court granted the remand without vacatur and initially limited the review period to 60 days. In March of 2014, at the EPA s request, the Fifth Circuit extended the EPA s time period for review and additionally, during that same period, the Company conducted a joint groundwater survey of the site, the result of which reaffirmed the Company s previously filed groundwater direction studies. On or about June 17, 2014, the EPA reaffirmed its earlier decision to uphold the granting of the Company s existing AE, with the exception of a northwestern portion containing less than 10% of the uranium resource which was withdrawn, but not denied, from the AE area until additional information is provided in the normal course of mine development. On or about September 9, 2014, the petitioners filed a status report with the State District Court which included a request to remove the stay agreed to in August 2013 and to set a briefing schedule (the Status Report). In that Status Report, the petitioners also stated that they had decided not to pursue their appeal at the Fifth Circuit. The Company continues to believe that the pending appeal is without merit and is continuing forward as planned towards uranium extraction at its fully-permitted Goliad Project.

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for the Goliad Project. Furthermore, we have no plans to establish proven or probable reserves for any of our uranium projects for which we plan on utilizing ISR mining, such as the Goliad Project.

Burke Hollow Project, Bee County, Texas

Property Description and Location

The Burke Hollow Project property is located in South Texas near the northeastern end of the extensive South Texas Uranium trend. The Burke Hollow project includes a 17,510-acre lease that would allow the mining of uranium by ISR methods while utilizing the land surface (with variable conditions) as needed, for mining wells and aboveground facilities for fluid processing and uranium extraction during the mining and groundwater restoration phases of the project. The Burke Hollow Project area is about 18 miles southeast of the town of Beeville, is located on the western side of US 77, and is located northeasterly of US 181 which links with US 59 in Beeville. The nominal center of Burke Hollow Project lease is located at latitude 28.2638 and longitude -97.5176. Site drilling roads are entirely composed of caliche and gravel, allowing for access for trucks and cars in most weather conditions. Four-wheel drive vehicles may be needed during high rainfall periods.

Virtually all mining in Texas is on private lands with leases negotiated between mining companies and each individual land/mineral owner. The Burke Hollow Project consists of two leases, one lease dated February 21, 2012 comprised of 17,510 acres with Thomson-Barrow Corporation as mineral owner and Burke Hollow Corporation as surface owner, and the other dated December 15, 2012 comprised of 1,825 acres with a separate owner. The leases are paid-up leases for a primary term of five years and allow for an extension term of an additional five years and so long thereafter as uranium or other leased substances are being produced. The leases have various stipulated fees for land surface alterations, such as per well or exploration hole fees (damages). The primary lease stipulation is the royalty payments as a percentage of production. Because the leases are negotiated with a private land and mineral owners and none of the property is located on government land, some of the details of the lease information and terms are considered confidential.

There are no known environmental liabilities associated with the Burke Hollow property. UEC currently has an exploration permit for their work in Bee County from the Texas Railroad Commission.

Prior to any mining activity at the Burke Hollow Project, UEC would be required to obtain a Radioactive Materials License, a large area Underground Injection Control (UIC) Mine permit, and a PAA permit for each wellfield developed for mining within the Mine Permit area. In addition, a waste disposal well would, if needed, require a separate UIC Permit. These permits would be issued by Texas regulatory agencies.

The Texas Railroad Commission requires exploration companies to obtain exploration permits before conducting drilling in any area. The permits include standards for the abandonment and remediation of test bore holes. The standards include that ASTM type 1 neat-cement be used in the plugging of test bore holes, the filling and abandonment of mud pits, and the marking of bore holes at the surface. Remediation requirements are sometimes specific to the area of exploration and may include segregation, storage, and re-covering with topsoil, re-grading, and re-vegetation. Potential future environmental liability as a result of the mining must be addressed by the permit holder jointly with the permit granting agency. Most permits now have bonding requirements for ensuring that the restoration of groundwater, the land surface, and any ancillary facility structures or equipment is properly completed. If the Burke Hollow Project reaches economic viability in the future, UEC would need to complete a number of required environmental baseline studies such as cultural resources (including archaeology), socioeconomic impact, and soils mapping. Flora and fauna studies will need to be conducted as will background radiation surveys.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Burke Hollow Project area is situated in the interior portion of the Gulf Coastal Plain physiographic province. The area is characterized by rolling topography with parallel to sub-parallel ridges and valleys. There is about 47 feet of relief at the site with ground surface elevations ranging from a low of 92 feet to a high of 139 feet above mean sea level. The leased property for the Burke Hollow Project is used mostly for petroleum production, ranching, and game management. Access by vehicular traffic is provided from Hwy. 77 into the property by private gravel roads.

The property is in a rural setting in southeastern Bee County. The nearest population centers are Skidmore, approximately 11 miles west, Refugio about 15 miles east, and Beeville approximately 18 miles northwest. While Skidmore and Refugio are relatively small towns, they provide basic needs for food and lodging and some supplies. Beeville is a much larger city and provides a well-developed infrastructure that has resulted from being a regional center to support oil and gas exploration and production. The Burke Hollow Project site area has good accessibility for light to heavy equipment. There is an excellent network of county, state and federal highways that serve the region and the moderate topography with dominantly sandy, well-drained soils provide good construction conditions for building gravel site roads necessary for site access. Water supply in the project area is from private water wells, mostly tapping sands of the upper Goliad Formation. Water needs for potential future pre-extraction activities would be from the same sources.

Bee County has a climate characterized by long, hot summers and cool to warm winters. The moderate temperatures and precipitation result in excellent conditions for developing an ISR mine. The average annual precipitation is about 32 inches with the months from November to March normally the driest and May through October typically having more precipitation due partly to more intense tropical storms. From June through September the normal high temperatures are routinely above 90 degrees Fahrenheit, while the months from December through February are the coolest with average low temperatures below 50 degrees Fahrenheit. Periods of freezing temperatures are generally quite brief and infrequent. Tropical weather from the Gulf of Mexico can occur during the hurricane season and may affect the site area with large rain storms. The infrequent freezing weather and abnormally large rainfalls are the primary conditions that could cause temporary shutdowns at an operating ISR mine. Otherwise there is not a regular non-operating season.

The necessary rights for constructing the needed surface processing facilities are in-place on selected lease agreements. Sufficient electric power is believed to be available in the area, however new lines may be needed to bring additional service to a plant site and well fields. Within a 20 mile radius of the planned Burke Hollow facility there is sufficient population to supply the necessary number of suitable mining personnel.

History

The only historic uranium exploration that has occurred at the Burke Hollow Project was the work by Total in 1993. Total conducted a short reconnaissance exploration drilling program at Burke Hollow Project in 1993 and drilled a total of 12 holes on the permitted acreage that they acquired. Of the 12 holes, 11 intersected anomalous gamma ray log signatures indicative of uranium mineralization. The resulting 12 log files include good quality electric logs from Total s activities at Burke Hollow in 1993. Each log file also contains a detailed lithological report based on drill hole cuttings, which were prepared by Total s field geologists who were supervising and monitoring drilling activity contemporaneously.

All of the boreholes were drilled using contracted truck-mounted drilling rigs. The holes were drilled by conventional rotary drilling methods using drilling mud fluids. All known uranium exploration at the Burke Hollow property has been vertical holes. Drill cuttings were typically collected from the drilling fluid returns circulating up the annulus of the borehole. These samples were generally taken at five foot intervals and laid out on the ground in rows by the drill crew for review and description by a geologist. At completion the holes were logged for gamma ray, self-potential, and resistance by contract logging companies. Century Geophysical was the logging company utilized by Total, and Century provided primarily digital data. A tool recording down-hole deviation was also utilized for each of the holes drilled.

This description of previous exploration work undertaken at Burke Hollow Project is based primarily on gamma ray and electric logs, several small maps and cross-sections constructed by Total.

The historic data package obtained by UEC for a portion of the current Burke Hollow Project area provided the above described information. Based on the very limited number of drill holes, no meaningful resource or reserve determination was made by Total. The actual drilling and geophysical logging results however, have been determined to be properly conducted to current industry standards and usable by UEC s exploration staff in their geologic investigation.

The only historic work relating to uranium exploration or mining is the early exploration work done by Total in 1993, as described above. There has been no known ownership of the Burke Hollow property by a mining company and prior ownership or changes in ownership for the property are not known by UEC or relevant to the project.

Geological Setting

Regional Geology

The UEC Burke Hollow Project area is situated within the Texas Gulf Coastal Plain physiographic province that is geologically characterized by sedimentary deposits that typically dip and thicken toward the Gulf of Mexico from the northwest source areas. Additionally, the regional dip generally increases with distance in the down dip direction as the overall thickness of sediments increase. The sedimentary units are dominantly continental clastic deposits with some underlying near shore and shallow marine facies. The uranium-bearing units are virtually all sands and sandstones in Tertiary formations ranging in age from Eocene (oldest) to Pliocene (youngest).

The project area, located about 18 miles southeast of Beeville which is the county seat of Bee County, is situated in the major northeast-southwest trending Goliad Formation of fluvial origin. The Geologic Atlas of Texas, Beeville-Bay City Sheet (Texas Bureau of Economic Geology, Revised 1987) indicates that a thin layer of Pleistocene-aged Lissie Formation overlies the Miocene Goliad Formation. The Lissie Formation unconformably overlies the Goliad Formation, and consists of unconsolidated deposits of sand, silt, and clay, with minor amounts of gravel. The thickness of the Lissie Formation in the project area ranges from approximately 35 feet on the western project edge to a maximum of 70 feet in thickness on the down-dip eastern edge of the project area. The map below shows the surface geology at the Burke Hollow Project.

The Goliad Formation was originally classified as Pliocene in age, but the formation has been reclassified as early Pliocene to middle Miocene after research revealed the presence of indigenous Miocene-aged mega-fossils occurring in upper Goliad sands. The lower Goliad fluvial sands are correlative with down-dip strata containing benthic foraminifera, indicative of a Miocene age (Baskin and Hulbert, 2008, GCAGS Transactions, v. 58, p. 93-101). The Geology of Texas map published by The Bureau of Economic Geology in 1992 classifies the Goliad as Miocene.

Relevant earlier literature showed the Goliad Formation as Pliocene-aged, including the Geologic Atlas of Texas, Beeville-Bay City Sheet (Bureau of Econ. Geol, revised 1987), and The Geology of Texas, Volume I (No. 3232, 1932, Texas Bureau of Econ. Geology).

Local and Property Geology

The uranium-bearing sands of the Goliad Formation at the project site occur beneath a thin layer of Lissie Formation sand, silt, clay, and gravel, which covers most of the project area with a total thickness of approximately 35 feet on the western side to approximately 70 feet thickness on the downdip eastern side of the project. The Goliad Formation underlies the Lissie, and is present at depths ranging from 35 feet to approximately 1,050 feet in depth on the eastern side of the property. UEC has determined that uranium mineralization discovered to date occurs within at least four individual sand units in the Upper Goliad at depths generally ranging from 160 feet to 500 feet.

The Goliad sand is one of the principal water-bearing formations in Bee County capable of yielding moderate to large quantities of fresh to slightly saline water in the south half of Bee County, which includes the project area.

The hydrogeological characteristics of the water-bearing Goliad sands at the Burke Hollow Project have not yet been determined, but required hydrogeological tests will determine the hydraulic character of the sands and the confining beds separating the individual sand zones. Information regarding the water-bearing characteristics of the Goliad sands from aquifer tests of a city of Beeville and a City of Refugio supply well (O.C. Dale, et al., 1957) reported an average coefficient of permeability of about 100 gallons per day per square foot. This would be the equivalent coefficient of transmissivity of approximately 2,500 gallons per day per foot for a 25-foot thick sand. It is likely that the uranium bearing mineralized sand zones at the Burke Hollow Project will have similar hydraulic characteristics.

There are at least two northeast-southwest trending faults at the Burke Hollow property that are likely related to the formation of the uranium mineralization. These faults are shown at a depth of approximately 3,500 feet below ground surface (bgs) based on petroleum industry maps and extend upward into the Goliad Formation. The northwesterly fault is a typical Gulf Coast normal fault, downthrown toward the coast, while the southeastern fault is an antithetic fault downthrown to the northwest, forming a graben structure. The presence of these faults is likely related to the increased mineralization at the site. The faulting has probably served as a conduit to reduce waters/gases migrating from deeper horizons as well as altering the groundwater flow system in the uranium-bearing sands.

Mineralization

The Burke Hollow Project uranium-bearing units occur as multiple roll-front type deposits in vertically stacked sands and sandstones. Groundwater flowing from northwest to southeast in the Goliad sands likely contained low concentrations of dissolved uranium resulting from oxidizing conditions and the relatively short distance from the recharge area. The geochemical conditions in the sands near the UEC property changed from oxidizing to reducing due to an influx of reductants. Hydrogen sulfide and/or methane dissolved in groundwater are likely sources of creating a reduction-oxidation boundary in the area with consequent precipitation and concentration of uranium mineralization.

Specific identification of the uranium minerals has not been done at the Burke Hollow Project. The very fine uranium minerals found coating quartz grains and within the interstices in most south Texas sand and sandstone roll-front deposits has generally been found to be dominantly uraninite and, to a lesser extent, coffinite. No uraninite has been identified on the Burke Hollow Project and the presence of uraninite on other properties does not mean that such mineralization will be found at the Burke Hollow Project. Detailed petrographic examination of disseminated uranium mineralization within sands/sandstones is generally not suitable for identification of the specific uranium minerals. Laboratory equipment such as x-ray diffraction units may be used to identify the minerals, however the specific mineral species typically found in reduced sands are generally similar in south Texas ISR projects and leaching characteristics are also similar. Based on the experience of the ISR mines throughout south Texas, the use of gamma-ray logging with a calibrated logging probe has become the standard method to determine the thickness and estimated grade of uranium bearing minerals.

At the project site the Goliad Formation is located near the surface underlying the Lissie Formation, and extends to depths exceeding 1,050 feet. Uranium mineralization occurs in multiple sand/sandstone units that are all below the saturated zone. These are the Goliad Lower A sand, the Goliad Upper B sand and the Goliad Lower B sand. The sands are fluvial-deltaic in origin, and thicken and thin across the project site. Each zone is hydrologically separated by clay or silty clay beds. The uranium deposits discovered to date range from several feet to over 30 feet in thickness. The C -shaped configuration is typically convex in a downdip direction with tails trailing on the updip side.

Update to July 31, 2014

During Fiscal 2014, 191 exploration holes totaling 87,105 feet were drilled at the Burke Hollow Project to depths ranging from a minimum 220 feet to a maximum 1,100 feet, with an average depth of 456 feet. At July 31, 2014, a total of 483 exploration holes totaling 224,105 feet have been drilled to depths ranging from a minimum 160 feet to a maximum of 1,100 feet, with an average depth of 461 feet.

At July 31, 2014, a total of 30 regional baseline monitor wells have been installed in order to establish baseline water quality in both the Goliad Lower A and Goliad Lower B sands. With respect to permitting, a preoperational groundwater characterization sampling program from the drilling of the regional baseline monitor wells was completed in February 2014. A drainage study of the proposed license boundary was completed in January 2013 and encompasses the first three production areas. Archeology, socioeconomic and ecology studies for the project were all completed by December 2013. All preoperational groundwater, surface water, soil, sediment and vegetation samples have been collected in preparation for application submittal. The Mine Area application submitted to the TCEQ in April 2014 is administratively complete and is under technical review. The Radioactive Material License application was submitted to the TCEQ in September 2014.

A Technical Report dated February 27, 2013 for Burke Hollow, prepared in accordance with the provisions of NI 43-101, was completed by Thomas A. Carothers, P.G., a consulting geologist, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. As required by NI 43-101, the Technical Report contains certain disclosure relating to inferred mineral resource estimates and an exploration target for the Company's Burke Hollow Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred mineral resources and exploration targets, while recognized and required by Canadian regulations, are not defined terms under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources, which are not mineral reserves, do not have demonstrated economic viability. It cannot be assumed that all or any part of measured mineral resources, indicated mineral resources or inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the Technical Report are economically or legally mineable. Exploration targets have a greater amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that exploration targets do not have demonstrated economic viability. It cannot be assumed that all or any part of the exploration target discussed in the Technical Report will ever be upgraded to a higher category, or if additional exploration will result in discovery of an economic mineral resource on the property.

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for the Burke Hollow Project. Furthermore, we have no plans to establish proven or probable reserves for any of our uranium projects for which we plan on utilizing ISR mining.

Mineral Exploration Projects

We hold mineral rights in the U.S. States of Arizona, Colorado, New Mexico, Texas and Wyoming and in the Republic of Paraguay by way of federal mining claims, state and private mineral leases and mineral concessions.

We plan to conduct exploration programs on these mineral exploration properties with the objective of determining the existence of economic concentrations of uranium. We have not established proven or probable reserves, as defined

by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for any of the uranium projects discussed below. Furthermore, we have no plans to establish proven or probable reserves for any of our uranium projects for which we plan on utilizing ISR mining.

Arizona

All of our Arizona claims and state leases were previously the subject of exploration drilling for the search of uranium by companies such as Union 76 Oil, Urangesellschaft, Wyoming Minerals, Noranda, Inc., Uranerz Energy Corp., Homestake Mining Co., Occidental Minerals and Oklahoma Public Services. Claims staked by us, including Artillery Peak and Dry Mountain in Arizona, were staked on known uranium occurrences as shown on Arizona State publication, "Occurrences of Uranium in Miscellaneous Sedimentary Formations, Diatremes and Pipes and Veins". As a result of the recent acquisitions of the Los Cuatros, Anderson and Workman Creek projects, the Company has increased its holdings within Arizona.

Arizona: Anderson Project

Property Location and Description

The Anderson Project is a 9,214-acre property located in Yavapai County, west-central Arizona, approximately 75 miles northwest of Phoenix and 43 miles northwest of Wickenburg (latitude 34°18'29" N and longitude 113°16'32" W, datum WGS84). The general area is situated along the northeast margin of the Date Creek Basin. The Anderson Project is located on the south side of the Santa Maria River approximately 13 miles west of State Highway 93. The Anderson Project occupies part or all of Sections 1 and 3, 9 through 16, 21 through 27, and 34 through 36 of Township 11 North, Range 10 West and portions of Sections 18, 19, and 30 of Township 11 North Range 9 West of the Gila and Salt River Base Meridian.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Anderson Project is accessed by paved, all-weather gravel and dirt roads. The property is reached by taking the Alamo Lake turnoff, located approximately 21 miles northwest of Wickenburg on Arizona State Highway 93 (Joshua Tree Parkway), then driving 0.25 miles north of mile marker 179, and then following the Alamo Road for 5.8 miles to the Pipeline Ranch Road turnoff. The road passes through the Pipeline Ranch, located in the bottom of Date Creek Wash and continues for approximately 6.3 miles to FR 7581. The Anderson Project property boundary is located 1.4 miles north on FR 7581. There are alternate dirt roads, including a 15 mile primitive road from Highway 93 over Aso Pass (2,900 ft elevation).

The Anderson Project is located in the northeast portion of the Date Creek Basin. The basin consists of low undulating terrain, centrally dissected by Date Creek Wash. The site lies along the south bank of the Santa Maria River which runs along the northern edge of the basin. Elevations above sea level are between 1,700 ft and 2,400 ft. Maximum local topographic relief at the site is approximately 700 ft.

Vegetation on the property is typical of the Sonoran Desert of central Arizona and consists predominately of Joshua trees, palo verde bushes, saguaro, cholla, ocotillo, creosote bushes and desert grasses. Fauna include: jackrabbits, rattlesnakes, roadrunners, desert tortoise, various lizards, and less common mule deer, wild burros and mules.

The alluvial valley of the Santa Maria River varies substantially in width and depth to bedrock. The volume of alluvium, and particularly the depth of the material, influences the proportion of surface flow to underflow in the river valley. The groundwater in the alluvium consists of underflow that is forced toward the surface as the depth of the alluvium decreases.

The climate is arid, with hot summers and mild winters. Annual rainfall averages 10 to 12 inches with rain showers from January through March and during summer thunderstorms. Snowfall is rare. On average, temperatures range between a low of 31°F during winter months and a high of 104°F during summer months. Temperature extremes of 10°F in winter and 120°F in summer have been recorded. The climate is favorable for year-round mining operations and requires no special operational or infrastructure provisions that relate to weather.

Various water wells exist on and near the Anderson Project that can support large-scale mining operations. There is plenty of usable land space to locate processing plants, heap leach pads, tailings storage areas, waste disposal areas and other infrastructure development associated with large-scale mining. The Anderson Project includes most of a 195 acre area designated by the BLM as disturbed resulting from surface mining in the 1950s. It may be possible to expedite the permitting process for future metallurgical exploration and mining activities, including waste disposal within the disturbed area.

The Anderson Project area is undeveloped with the exception of various access and drill roads and various water wells previously constructed. No utilities exist on or adjacent to the area. A transmission power line runs northwest-southeast along Highway 93, approximately 8 miles to the east; however, direct access to the power line may be obstructed by the Arrastra Mountain Wilderness and Tres Alamos Wilderness located between the power line and the Anderson Project. The construction of a power line would require routing along one of the existing road corridors, a distance of 16.2 miles to the project boundary.

The nearest town is Congress (population 1,700) located 32 road miles to the east. The nearest major housing, supply center and rail terminal is in Wickenburg (population 6,363) located approximately 43 miles from the Anderson Project by road. Phoenix (population 1.45 million), approximately 100 miles to the southeast by road, is the nearest major industrial and commercial airline terminal. Kingman (population 24,000) is located approximately 110 miles to the northwest by road. UEC s surface rights encompass 15.4 square miles; this is sufficient for the surface structures associated with any proposed mining operation.

History

In January 1955, T.R. Anderson of Sacramento, California detected anomalous radioactivity in the vicinity of the Anderson Project using an airborne scintillometer. After a ground check revealed uranium oxide in outcrop, numerous claims were staked. The Anderson Mine, as the operation was known at the time, was drilled and mined by Mr. Anderson. Work between 1955 and 1959 resulted in 10,758 tons that averaged 0.15% U_3O_8 and 33,230 pounds U_3O_8 were shipped to Tuba City, Arizona for custom milling. In 1959, production stopped when the Atomic Energy Commission (AEC) ended the purchasing program.

During 1967 and 1968, Getty Oil Company (Getty) secured an option on claims in the northern portion of the Anderson Project. Some drilling and downhole gamma logging was conducted during the option period, but this failed to locate a sizeable uranium deposit. In 1968, Getty dropped their option.

In 1974, the increasing price of uranium created a renewed interest in the vicinity of the Anderson Project. Following a field check and an evaluation of the 1968 Getty drill data, MinEx optioned the northern portion of the current Anderson Project.

In 1975, MinEx purchased the northern portion of the current Anderson Project after a 53-hole, 5,800 m (19,000 ft) drilling program on 250 m centers confirmed a much greater uranium resource potential than had been interpreted from the 1968 Getty gamma log data. Further exploration work, consisting of a 180-hole, 22,555 m (74,000 ft) drill and core program on 120 m centers was conducted from November 1975 through February 1976 to further delineate the uranium resources. By 1980, MinEx had completed a total of 1,054 holes by rotary and core drilling.

In 1977, the Palmerita Ranch, located 11 km west of the deposit along the Santa Maria River, was acquired by MinEx to provide a water source for the operations in the event that closer sources proved inadequate. Based on favorable economics, indicated in a Preliminary Feasibility Study completed by Morrison-Knudsen Company, Inc. in December 1977, a detailed Final Feasibility Study was undertaken early in 1978 to evaluate the MinEx holdings on the northern portion of the current Anderson Project.

In 1973, Urangesellschaft expressed an interest in the former Anderson Property. Urangesellschaft located a claim block, Date Creek Project, on the down-dip extension of the mineralization immediately to the south of MinEx s claims. In 1973 to 1982, subsequent drilling programs delineated mineralization from a total of 352 drill holes with 122,744 m (402,773 ft) of rotary and core drilling. The following table summarizes the phases of the historical exploration.

EXPLORATION HISTORY AT THE ANDERSON PROPERTY (ARSENEAU,2011)

Company	Period	Exploration Activities
Mining Group Led by Mr. T. R. Anderson	1955–1959	Aerial scintillometer surveying, ground prospecting, and outcrop mining
Getty Oil Company	1967–1968	Limited exploration drilling
Urangesellschaft USA, Inc.	1973–1982	Exploration drilling: 352 total holes with 319 rotary holes and 33 core holes over a 610 ha area
MinEx	1974–1980	Exploration drilling: 970 rotary holes and 84 core holes over a 425 ha area
Concentric Energy Corp.	2006	Confirmation drilling: 24 RC holes and one RC core hole

Geologic Setting

Regional Geology

The Anderson Project is located along the northeast margin of the Date Creek Basin of the Basin and Range Province of the western United States. The Date Creek Basin is one of hundreds of Paleogene basins throughout western

Arizona, southeastern California, Nevada and western Utah. Paleogene lacustrine and fluvial sediments, and Quaternary gravels have filled these basins to depths of several thousand meters. The approximate location of the Basin boundaries is shown in the figure.

The basin is surrounded by dissected mountain ranges containing Precambrian metamorphic rocks and granites. Surrounding mountain ranges include the Black Mountains to the north and northeast, and the Rawhide, Buckskin and McCracken Mountains to the west. To the south and southeast, the basin is bordered by a low drainage divide imposed by the Harcuvar and the Black Mountains. Margins of the basin are filled with early Paleogene volcanic flows and volcaniclastic sediments. The basin itself is filled with Oligocene to Miocene lacustrine and deltaic sediments covered by a thick mantle of Quaternary valley fill.

Local and Property Geology

Three major faults cross the Anderson Project: the East Boundary Fault System, Fault 1878 and the West Boundary Fault System. Faults trend predominantly N30ºW to N55ºW and dip steeply (approximately 80º) to the southwest. Another set of faults trending more westerly (N65ºW) are present in the south-central portion of the Anderson Project. A fault set trending northeast-southwest has been speculated by Urangesellschaft and others, but has not been observed in the field. Many of the north-westerly surface water drainage tributaries are developed partially along fault traces.

Minor faults and shear zones occur throughout the Anderson Project. These probably represent fractures with slight offset of strata during differential compaction of the underlying sediments or local adjustment to major faulting.

The largest fold in the area is a broad, gentle, northwest-trending syncline in the south-eastern quarter of Section 9, T11N, R10W. Dips reach a maximum of 13º except where modified by shearing. Many smaller folds with amplitudes of several feet are present in the lacustrine strata.

Fault displacements range from a few centimetres to more than 100 m. Fault movement is generally of normal displacement resulting in stair-stepped fault blocks. Local faults also have a tendency to hinge. Minor faulting across the mineralized area is often difficult to discern from variations in sedimentary dips. The lacustrine sediments dip south to south-westerly from 2º to 5º, to a maximum of 15º. Much of this dip is attributed to recurrent faulting during deposition.

Nine stratigraphic units were identified on the Anderson Project. Listed from oldest to youngest, as follows:

- Crystalline Intrusive Rocks: coarse-grained to pegmatitic Precambrian granite;
- Felsic to Intermediate Volcanic: flows, breccias, tuffs and minor intrusive;
- Felsic to Intermediate Volcaniclastic: ash flows, tuffaceous beds and arkosic sandstone;
- Andesitic Volcanic: porphyritic andesitic flows with a paleosurface and locally reddish-brown paleosols;
- Lacustrine Sedimentary rocks: micaceous siltstones and mudstone, calcareous siltstones and silty limestone, thin beds of carbonaceous siltstone and lignitic material and host of uranium mineralization, averaging about 60 to 100 m thick;
- Lower Sandstone Conglomerate: arkosic sandstones and conglomerate, averaging about 60 to 100 m thick
- Basaltic Flows and Dikes: amygdular basalt, averaging about 20 m thick;
- Upper Conglomerate: cobble and boulder conglomerate, partly indurate and locally calcite cemented, averaging about zero to 60 m thick; and
- Quaternary Alluvium: unconsolidated sand and gravel, caliche formed where calcite-cemented.

Uranium mineralization at the Anderson Project occurs exclusively in the sequence of Miocene-age lacustrine lakebed sediments. The lacustrine sediments unconformably overlie the andesitic volcanic unit over most of the Anderson Project. However, to the east of the Anderson Project, they overlie the felsic to intermediate volcanic unit.

Evidence suggests that deposition of the lacustrine sediments occurred in a restricted basin less than 5 km wide by 10 to 12 km long on the northern edge of an old Paleogene lake. Moving southward, these sediments inter-tongue with siltstones and sandstones. The lakebed sediments represent time-transgressive facies deposited within a narrow, probably shallow, basinal feature. This type of depositional environment exhibits complex relationships between individual facies, lensing out, vertical and horizontal gradation, and interfingering.

The lake sediments include green siltstones and mudstones, white calcareous siltstones, and silty limestone or calcareous tuffaceous material. Much of this material is silicified to varying extents and was derived in part from volcanic ashes and tuffs common throughout the lakebeds. Also present in the lacustrine sequence are zones of carbonaceous siltstone and lignitic material. Along the boundary between the former MinEx and Urangesellschaft properties, drill holes encounter the basal arkosic sandstone. To the south and southwest, lakebeds interfinger with and eventually are replaced by a thick, medium to coarse-grained, arkosic sandstone unit.

Mineralization

Uranium mineralization in outcrops and the pit floor at the old Anderson mine was reported by the US Bureau of Mines in Salt Lake City as tyuyamunite ($Ca(UO_2)_2(VO_4)_2 \cdot 5\text{-}8H_2O$). Carnotite ($K(UO_2)_2(VO_4)_2 \cdot 3H_2O$) and a rarer silicate mineral, weeksite ($K_2(UO_2)_2(Si_2O_5)_3 \cdot 4H_2O$), was also reported in outcrop samples. Carnotite mineralization occurs as fine coatings and coarse fibrous fillings along fractures and bedding planes and has been noted in shallow drill holes and surface exposures.

The uranium mineralization found at depth on the former Urangesellschaft property was reported by Hazen Research, Inc. (Hazen Research) to be poorly crystallized, very fine-grained, amorphous uranium with silica. This could be in the form of either coffinite ($U(SiO_4)_{1-x}(OH)_{4x}$) or uraninite (UO_2) in a primary or unoxidized state (Hertzke, 1997). Mineralogical studies performed by Hazen Research (1978a, 1978b, 1978c and 1979) on Urangesellschaft core found that mineralization was associated, for the most part, with organic-rich fractions of the samples. Specifically, the uraniferous material occurs as stringers, irregular masses and disseminations in carbonaceous veinlets with uranium up to 54% as measured by microprobe analysis. X-ray diffraction identified the mineral as coffinite. It is possible that an amorphous, ill-defined uranium silicate with a variable U:Si ratio is precipitated and, under favorable conditions, develops into an identifiable crystalline form (coffinite).

Of special note is the detection of high-grade, low-reflecting uraniferous material occurring with carbonaceous material in the siltstone. Similar assemblages in unoxidized mineralization have also been reported for the former MinEx property.

Urangesellschaft distinguished seven mineralized zones, identified as Horizons A, B, C, D, E, F and G, with the youngest (uppermost) being Horizon A and the oldest (deepest) being Horizon G. The majority of uranium occurs in Horizons A, B and C within the property. A conglomeratic sandstone unit interbeds with these units, but does not contain uranium mineralization; it is referred to as the Barren Sandstone Unit and it lies between Horizon C and Horizon D. Consequently, Horizons A through C have been called the Upper Lakebed Sequence and Horizons D through G have been called the Lower Lakebed Sequence.

Grades of mineralization range from 0.025% U_3O_8 to normal highs of 0.3 to 0.5% U3O8 with intercepts on occasion of 1.0% to 2.0% U_3O_8. Secondary enrichment of the syngenetic mineralization is observed along faults and at outcrops.

Exploration

A Light Detection and Ranging (LiDAR) survey was performed over the entire project area by Cooper Aerial Surveys Co. (Cooper Aerial) on 9 July 2011, between 13:07 UTC and 15:14 UTC (6:07 A.M. and 8:14 A.M., MST). Aerial imagery was collected at the same time. Data was processed using one of two base stations to obtain positional accuracies of between 3 and10 cm. Twenty-four ground control points showed a root mean square error of 0.219 ft (6.7 cm) between predicted and measured elevations. Cooper Aerial provided UEC with a one meter pixel digital elevation model (DEM) and a 2 ft contour shape-file derived from the LiDAR data. Cooper Aerial also corrected ortho imagery with a 0.15 m pixel size. Coordinates were converted from WGS84 to NAD 1983 UTM Zone 12N in meters, and elevation was reported in NAVD 1988 international feet. The conversion caused no distortion in elevations used in the resource model.

UEC has not performed any drilling to date on the Anderson Project.

Update to July 31, 2014

A Technical Report dated June 19, 2012 for the Anderson Project, prepared in accordance with NI 43-101, was completed by Bruce Davis and Robert Simm, consulting geologists, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. The Technical Report contains certain disclosure relating to inferred and indicated mineral resource estimates for the Anderson Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred and indicated mineral resources, while recognized and required by Canadian regulations, are not defined terms under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Inferred and indicated resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the Technical Report are economically or legally mineable.

A Preliminary Economic Assessment (PEA) dated July 6, 2014 for the Anderson Project, prepared in accordance with NI 43-101, was completed by Douglas Beahm, PE, PG and Terence McNulty, PE and filed by the Company on the

public disclosure website of the Canadian Securities Administrators at www.sedar.com. The PEA contains certain disclosure relating to indicated and inferred mineral resource estimates for the Anderson Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Indicated and inferred mineral resources, while recognized and required by Canadian regulations, are not defined terms under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC.

Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Indicated and inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of the indicated or inferred mineral resources discussed in the PEA will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of indicated and inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported indicated and inferred mineral resources referred to in the PEA are economically or legally mineable

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for the Anderson Project.

Arizona: Workman Creek Project

The Workman Creek Project is a 4,036-acre property located in Gila County, Arizona.

A Technical Report dated July 7, 2012 for the Workman Creek Project, prepared in accordance with NI 43-101, was completed by Neil G. McCallum, P.G. and Gary H. Giroux, P.E., a consulting geologist and engineer, respectively, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. The Technical Report contains certain disclosure relating to inferred mineral resource estimates for the Workman Creek Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred mineral resources, while recognized and required by Canadian regulations, is not a defined term under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the Technical Report are economically or legally mineable.

The following table provides information relating to our mineral rights located in Arizona:

Property	Number of Claims or Leases Held	Gross Acres
Artillery Peak 1	19 claims	380
Artillery Peak 2	31 claims	620
Los Cuatros	1 lease	640
Anderson	459 claims & 1 lease	9,214
Workman Creek	198 claims	4,036

Colorado

Claims and leases acquired by us in Colorado have historical production tonnages and grades published in the Colorado Geological Survey, Bulletin 40 - "Radioactive Mineral Occurrences of Colorado". Also, our geological staff has evaluated a portion of the claims currently owned by us.

Colorado: Slick Rock Project

Pursuant to a Uranium Mining Lease dated May 23, 2012, the Company acquired from URenergy LLC a mining lease for uranium on the Slick Rock Project located in San Miguel and Montrose Counties, Colorado.

Since January 2011, the Company has staked a total of 129 claims in the Slick Rock district of the Uravan Mineral Belt. In June 2011, the Company acquired 103 claims from Spider Rock Mining also in the Slick Rock District for a one-time payment of $500,000. As a result, the Company now holds a total of 315 contiguous claims in the Slick Rock District. Certain claims of the Slick Rock Project are subject to a 1.0% or 3.0% net smelter royalty, the latter requiring an annual advance royalty payment of $30,000 beginning in November 2017.

A Technical Report dated February 21, 2013 for the Slick Rock Project, prepared in accordance with NI 43-101, was completed by Bruce Davis and Robert Simm, consulting geologists, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. The Technical Report contains certain disclosure relating to inferred mineral resource estimates for the Slick Rock Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred mineral resources, while recognized and required by Canadian regulations, is not a defined term under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the Technical Report are economically or legally mineable.

A PEA dated April 8, 2014 for the Slick Rock Project, prepared in accordance with NI 43-101, was completed by Douglas Beahm, PE, PG and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. The PEA contains certain disclosure relating to inferred mineral resource estimates for the Slick Rock Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred mineral resources, while recognized and required by Canadian regulations, is not a defined term under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of inferred mineral resources discussed in the PEA will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the PEA are economically or legally mineable.

The following table provides information relating to our mineral rights located in Colorado:

Property	Number of Claims or Leases Held	Gross Acres
Carnotite	18 claims	360
Raven	37 claims	740
Slick Rock	315 claims & 7 leases	6,773
Radium Mountain	139 claims	2,780
Long Park	32 claims & 1 lease	640

New Mexico

The West Ranch Project consists of approximately 3,180 acres made up of lode mining claims and private leases in northwestern New Mexico, on the northwest end of the historically uraniferous Ambrosia Lake trend of the Grants Uranium District. The property was drilled by United Nuclear Corporation and, more recently, by Kerr McGee.

Historical wide-spaced drilling across the property indicates the presence of several northwest-southeast trending uranium mineralized zones within the Morrison Formation at average depths of 800 feet.

A property option agreement with AusAmerican Mining Corporation, an Australian-listed mining company, over certain New Mexico claims including the F-33, Rick and Todilto claims was cancelled by the Company for AusAmerican s failure to meet certain financial obligations as required under the option. During Fiscal 2014, an impairment loss on mineral properties of $166,720 was recognized related to these claims.

The following table provides information relating to our mineral rights located in New Mexico:

Property	Number of Claims or Leases Held	Gross Acres
Todilto	1 lease	320
West Ranch	62 claims, 14 leases	3,077
West Ambrosia Lake	6 mineral deeds	3,844
C de Baca	30 claims	600

Texas

At July, 31, 2014, we currently own various exploration projects located in the South Texas Uranium Trend. The location and acquisition of these leases are based on historical information contained within our extensive database, as well as current, ongoing geologic analyses by our exploration staff.

Texas: Salvo Project

The Salvo Project is a 5,345-acre property located in Bee County, Texas.

A Phase I exploration drill program was completed in April 2011 with a total 105 holes drilled. Phase II drilling began at the Salvo Project in October 2011, with two drilling rigs targeting Lower Goliad P and Q sand objectives. A total of 122 exploration and delineation holes for a total of 70,760 feet were drilled during Phase II which was concluded in May 2012. Twenty-nine holes (23%) met or exceeded a grade-thickness (GT) cutoff of 0.3 GT.

Interpretation of the Company s exploration and delineation drilling along with historic data from 1982-84 exploration drilling by Mobil and URI, revealed the existence of two ore-bearing redox boundaries within the area, which has the potential to become PAA-1. A significant under-explored extension to this area which exhibits strong mineralization remains open-ended. Future plans would include further exploration/delineation drilling in this area in order to fully identify the extent of the mineralized zones in PAA-1. Historic and recent UEC drilling results are being reviewed for future exploration/delineation activities in the Salvo Project in order to fully identify the extent of the mineralized zones.

A Technical Report dated July 16, 2010 for the Salvo Project, prepared in accordance with NI 43-101, was completed by Thomas A. Carothers, P.G., a consulting geologist, and filed by the Company on the CSA s public disclosure website at www.sedar.com. A further Technical Report dated March 31, 2011 for the Salvo Project, prepared in accordance with NI 43-101, was completed by Thomas A. Carothers, P.G., a consulting geologist, and filed by the Company on the CSA s public disclosure website at www.sedar.com. The March 31, 2011 Technical Report contains certain disclosure relating to inferred mineral resource estimates for the Salvo Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Inferred mineral resources, while recognized and required by Canadian regulations, is not a defined term under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Inferred resources have a great amount of

uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported inferred mineral resources referred to in the Technical Report are economically or legally mineable.

Texas: Channen Project

The Channen Project was a 10,704-acre property located in Goliad County, Texas. Based on the results of our exploration activities conducted on the Channen Project, it was released during Fiscal 2014 resulting in the recognition of an impairment loss on mineral properties of $428,164.

Texas: Longhorn Project

The Longhorn Project is located in Live Oak County, Texas, which historically has produced uranium. The property lies within the historic US Steel Clay West production area where uranium was previously mined using ISR methods along the historic George West district trend. The Company has an extensive database of information regarding the area including drill maps and over 500 gamma logs.

The Project lies on trend between two former US Steel production areas, the Boots and the Pawlik. At least five separate roll-fronts are believed to exist across the project area. Uranium grades within these Oakville deposits ranged from 0.10% to 0.20% U_3O_8 according to US Steel reports obtained by the Company. Well-developed Oakville sands in this area exhibit higher than average uranium grades for South Texas, as shown on many historic gamma ray logs, of which UEC has at least 500+ pertaining to the Project from various databases. These higher than average uranium grades were later proven by excellent recoveries in the US Steel ISR production areas

The property is located approximately 65 miles northwest of Corpus Christi and 55 miles southwest of Hobson. It is comprised of 43 lease agreements covering 651 acres, granting the Company the exclusive right to explore, develop and mine for uranium. The Company anticipates that any uranium identified at the Longhorn Project will be extracted using ISR mining and processed at Hobson.

The following table provides information relating to our main mineral rights located in the South Texas Uranium Trend, excluding the Palangana Mine and the Goliad and Burke Hollow Projects:

Property	Number of Claims or Leases Held	Gross Acres
Nichols	1 lease	909
Salvo	34 leases	5,345
Longhorn	43 leases	651

Wyoming

The Burnt Wagon/East Poison Spider project, located 35 miles west of Casper, Wyoming, was acquired from North American Mining and Minerals Company (Kirkwood) in 2006. Previous operations defined shallow uranium mineralization in the Wind River formation of early Eocene age, at 50 to 200 foot depths, from 500 drill holes and 16,000 feet of electric logging data.

Situated in the Lower Eocene Wasatch formation of the southwest Powder River Basin is our Powder River Basin LO-Herma uranium property. The exploration data was acquired from H. Brenniman as a part of the Pioneer Nuclear, Inc., package in 2006. The 29 mining claims total 592 acres and are contiguous to the Uranium One (formerly Energy Metals Corp.) property.

The DL Prospect was assessed and acquired by using Pioneer Nuclear, Inc., 1970 uranium exploration data from the H. Brenniman database.

The following table provides information relating to our mineral rights located in Wyoming:

Wyoming Property	Number of Claims or Leases Held	Gross Acres
Burnt Wagon	30 claims and 2 leases	1,238
DL Prospect	1 lease	1,275
East Poison Spider	3 leases	160
LO-Herma	29 claims	580

Paraguay

We hold interests in two projects within the South American country of Paraguay. The following map shows the location of both projects, Coronel Oviedo and Yuty.

Coronel Oviedo Project

Property Description and Location

The Coronel Oviedo Project is located in southeastern Paraguay, approximately 95 miles east of Asuncion, the capital of Paraguay. The Coronel Oviedo Project consists of a large mineral concession covering a total area of approximately 494,000 acres. The property can be classified as an early to intermediate stage exploration project. Several areas have undergone drilling in the past by The Anschutz Company of Denver, CO (early 1980s) and recently by Crescent Resources in 2007. Anschutz was backed at the time by both Korean and Taiwanese-based power consortiums. Access to the project is by paved roads from Asuncion to the City of Coronel Oviedo and other populated areas. There is good access into the interior of the concession mainly by unpaved secondary roads. The terrain is rolling hills with areas of forest, small farms, and some large cattle ranches.

Prior Exploration

The Coronel Oviedo Project located in central Paraguay was subject to reconnaissance uranium exploration between 1976 and 1983 by Anschutz Corporation of Denver, Colorado, and by Crescent Resources of Vancouver, Canada between 2006 and 2008. Most of the uranium occurrences in this environment are roll front type deposits similar to those currently being produced by low-cost ISR methods in Texas, the western United States, Central Asia and Australia. The work by Anschutz and Crescent was centered on a large belt of Permo-Carboniferous age continental sandstones that represent the western flank of the Parana Basin. According to the Geological Survey of Brazil or CPRM, these same sandstones within the Brazilian section of the Parana Basin contain numerous uranium occurrences including the Figueira Mine.

From 2006 to 2008, the Coronel Oviedo Project was optioned to Crescent Resources. During this period, a total of 24 holes were drilled and logged in the southern portion, offsetting mineralized holes drilled by Anschutz. A NI 43-101 Technical Report reported that 14 of the 24 holes had a grade-thickness (GT) product (in feet) equal to or greater than 0.30 GT. GT values equal to and above 0.30 are typically considered producible under ISR production methodology. The known uranium mineralization on the Coronel Oviedo Project intersected by the past drilling is at depths between 450 and 750 feet. Crescent dropped the option on the Coronel Oviedo Project in 2008.

Aquifer Test

During 2010, and prior to the acquisition of the Coronel Oviedo Project, the Company conducted a 24-hour aquifer test in the area of the resource trend identified by the combined Anschutz-Crescent drilling programs. The test was designed to assess aquifer properties of the lower massive sand, a uranium-bearing sandstone within the San Miguel Formation. The focus of the test was to determine if the aquifer could sustain extraction rates typical of ISR mining of uranium.

Results of the test indicate that the uranium-bearing unit has aquifer characteristics that would support operational rates for ISR mining. The aquifer properties determined from the hydrologic test fall within the range of values determined at other uranium ISR projects located in Wyoming, Texas and Nebraska.

During Fiscal 2012, the Company completed a 10,000-meter drilling program. A total of 35 holes were drilled, averaging 950 feet in depth. The holes were drilled on east to west lines across known geologic structures believed to be integral in controlling uranium occurrence. The holes were drilled on wide spacings, approximately one to 1.5 miles apart (see map above). Historic and recent drilling results are being reviewed for future exploration/delineation drilling at the Coronel Oviedo Project. A radon extraction survey is being completed along the western basin margins, following up on historic airborne radiometric anomalies and outcrop sampling results that indicate a potential for shallow uranium mineralization.

A Technical Report dated October 15, 2012 for the Coronel Oviedo Project, prepared in accordance with NI 43-101, was completed by Douglas L. Beahm, P.E., P.G, a consulting geologist/engineer, and filed by the Company on the public disclosure website of the Canadian Securities Administrators at www.sedar.com. The Technical Report contains certain disclosure relating to an Exploration Target for the Coronel Oviedo Project. An Exploration Target has been calculated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Exploration Targets, while recognized and required by Canadian regulations, is not a defined term under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the Exploration Target will ever be converted into mineral resources or reserves. Exploration Targets have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that Exploration Targets do not have demonstrated economic viability. It cannot be assumed that all or any part of the Exploration Target discussed in the Technical Report will ever be upgraded to a higher category, or if additional exploration will result in discovery of an economic mineral resource on the property.

Yuty Project, Paraguay

Property Description and Location

The Yuty Project covers 492,000 acres and is located approximately 125 miles east and southeast of Asunción, the capital of Paraguay. It is located within the Paraná Basin, which is host to a number of known uranium deposits, including Figueira and Amorinópolis in Brazil. Preliminary studies indicate amenability to extraction by in situ recovery methods, which is the same process currently used by the Company at its Texas operations. Cue Resources Ltd. spent over CAD$16 million developing Yuty since 2006.

History

Exploration for uranium in Southeastern Paraguay was started in 1976 by Anschutz, after the Concession Agreement between the Government of Paraguay and Anschutz in December 1975. This agreement allowed Anschutz to explore for all minerals, excluding oil, gas, and construction materials. The initial uranium exploration by Anschutz in 1976 covered an exclusive exploration concession of some 162,700 square kilometers, virtually the whole eastern half of Paraguay. This was followed by a program of diamond drilling and rotary drilling over selected target areas. In total, some 75,000 meters of drilling were completed from 1976 to1983. Data is available for a total of 257 drill holes in the San Antonio area. Anschutz carried out exploration on behalf of a joint venture with Korea Electric Power Corporation and Taiwan Power Company. Anschutz intersected uranium mineralization in drill holes ranging from 0.115% U3O8 over 10.2 meters to 0.351% U3O8 over 0.3 meters in sandstones and siltstones. Work was suspended in 1983 due to the slump of the price of uranium, and no further work was done at that time.

During the exploration programs by Anschutz, airborne radiometric surveys, regional geological mapping and geochemical sampling were the main exploration tools for uranium exploration in the southeastern part of Paraguay. This was followed-up by core and rotary drilling, in two phases. The initial phase was to drill wide-spaced reconnaissance diamond drill holes along fences spaced approximately ten miles apart. The objective of this initial phase was to obtain stratigraphic information across an inferred host trend. The second phase was to drill rotary holes, spaced approximately 1,000 feet apart, within and between the fences of reconnaissance holes, to establish and outline target areas. All drill holes were logged and probed by gamma, neutron and resistivity surveys.

Exploration work by Anschutz outlined several large target areas including what is now the Yuty Project. These include the San Antonio, San Miguel, Typychaty and Yarati-ítargets near and around the village of Yuty, approximately 125 miles southeast of Asunción.

Geologic Setting and Mineralization

The Yuty Uranium Project area is situated within the western part of the Paraná Basin in Southeastern Paraguay, which also hosts the Figueira uranium deposit in Brazil. The area is underlain by upper Permian-Carboniferous (UPC) continental sedimentary rocks. The exploration methodology applied during past programs has been to determine the favorable host rocks of the UPC sequence and to explore favorable areas of the host sandstone.

Continental sedimentary units of the Independencia Formation (of the UPC) are known to have high potential for uranium exploration in eastern Paraguay. The source of the uranium is thought to be the Lower Permian-Carboniferous Coronel Oviedo Formation, which is correlated with the Itataré Formation underlying the Rio Benito Formation in Brazil. Occasional diabase sills and dikes intrude the sedimentary rocks, such as at the San Antonio area near the village of Yuty. Outcrops are rare, mostly along road cuts, and mapping is done by drilling.

The rocks of the Yuty area are very gently east dipping and undeformed. Occasional northwest and northeast trending normal faults cut the sedimentary units. Exploration work to date suggests that the uranium mineralization within the San Miguel Formation is stratabound and possibly syngenetic or diagenetic in origin. Recent interpretation of exploration data suggests that areas of limonite + hematite alteration within the grey-green, fine-grained sandstones in the San Antonio area have characteristics similar to the alteration assemblages present at roll front-type uranium deposits of the Powder River basin in the United States.

Geologic Setting of the Yuty Project, Paraguay

Recent Exploration

In late July 2006, Cue Resources Ltd. signed an agreement with the shareholders of Transandes Paraguay S.A. to option the Yuty Property, followed by a formal earn-in agreement signed on November 6, 2007, and started a systematic uranium exploration program. This included a compilation of all previous exploration data, including lithologic and radiometric logs, stored at Ministry of Public Works (the MOPC) in Asunción. The most recent drilling completed in the San Antonio area was in November and December 2010 at which time 33 holes were completed for a total of 11,500 feet. Of these holes, five were not successfully completed. Of the 28 holes that reached the target, ten had intersections greater than a GT (grade x thickness) of 0.10m% eU3O8, and an additional 13 had intersections exceeding a GT of 0.03 m% eU3O8.

Drilling and Sampling

Approximately 240,000 feet of drilling (core as well as rotary) were completed by Anschutz in previous campaigns.

The procedures used during the diamond and rotary drilling programs were drafted by Anschutz technical personnel. Healex reviewed all of drill logs at the MOPC in Asunción and is of the opinion that the lithologic logging procedures are comparable to industry standards. Detailed information on sampling methods and approach during the Anschutz drilling campaigns is not available. Nevertheless, previous Technical Reports (Scott Wilson (2008) and Healex (2009)) have concluded that sampling procedures were comparable to industry standards of that time. Mr. Beahm (2011 Technical Report) concurs with this determination. From 2007 to 2010, Cue Resources Ltd. completed over 100,000 feet of drilling at the San Antonio target area in 256 drill holes. Most of the holes were collared with a rotary drilling rig, surface casing was then installed, and the holes were drilled to completion depth with a diamond rig.

To date, diamond drilling totals approximately 52,800 feet, and rotary drilling approximately 50,000 feet. For diamond drill holes, HQ-size core was retrieved and the drilling contractor is Empire Drilling S.A. of Quito, Ecuador. For rotary drilling, the contractor is 9 de Junio S.A. (Primo) of Asunción, Paraguay.

Exploration Potential

Except for the San Antonio area, the Yuty Uranium Project is at an early-to intermediate stage of exploration. A number of areas of anomalous concentrations of uranium occur in UPC sedimentary rocks within the property area. Past work was focused on developing roll front-type targets. Preliminary interpretation of the drill results in the San Antonio area suggests that the basal sandstone unit (San Miguel Formation) is a favorable host for uranium mineralization. These results also suggest that the diabase sill overlying the San Miguel Formation may have acted as a trap for diagenetic fluids and provided a horizontal conduit for the circulation of the diagenetic fluids and emplacement of uranium mineralization near the margin of a topographic high (gentle hill) below the diabase sill.

Historic and recent drilling results are being reviewed for future exploration/delineation drilling at the Yuty Project.

A Technical Report dated August 24, 2011 for the Yuty Project, prepared in accordance with NI 43-101, was completed by Douglas Beahm, P.G., P.E., Bill Northrup and Andre Deiss consulting geologists, and filed by the Company on the CSA s public disclosure website at www.sedar.com. The Technical Report contains certain disclosure relating to measured, indicated and inferred mineral resource estimates for the Yuty Project. Such mineral resources have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. Measured, indicated and inferred mineral resources, while recognized and required by Canadian regulations, are not defined terms under the SEC's Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in this annual report or otherwise in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in this category will ever be converted into mineral reserves. Measured, indicated and inferred resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all or any part of measured, indicated or inferred mineral resources discussed in the Technical Report will ever be upgraded to a higher category. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported mineral resources referred to in the Technical Report are economically or legally mineable.

Other Properties

We own 32 acres of real estate located in Goliad County, Texas and have entered into office rental and service agreements as follows:

- an office lease at $11,015 per month for our Corpus Christi administration office at 500 N. Shoreline Blvd., Suite 800N, Corpus Christi, Texas 78471. The lease expires on July 31, 2015; and
- an office lease at $6,145 per month for our Vancouver administration office at 1111 West Hasting Street, Suite 320, Vancouver, B.C., Canada V6E 2J3. The lease expires on January 31, 2016.

Our Databases

We have acquired historical exploration data that will assist in the direction of proposed exploration program on lands held in our current property portfolio. This prior exploration data consists of management information and work product derived from various reports, drill hole assay results, drill hole logs, studies, maps, radioactive rock samples, exploratory drill logs, state organization reports, consultants, geological study and other exploratory information.

The following provides information relating to our database:

Tronox Worldwide

Effective February 20, 2008, we acquired from Tronox Worldwide LLC certain assets, consisting of certain maps, data, exploration results and other information pertaining to lands within the United States (excluding New Mexico and Wyoming), Canada and Australia, and specifically including the former uranium exploration projects by Kerr McGee Corporation. The Tronox database contains records on some of our properties located in Arizona, the Colorado Plateau and Texas. We have exclusive ownership of this database.

Jebsen

The Jebsen database covers territory in Wyoming and New Mexico, including some of our existing properties. The database belonged to a pioneering uranium developer and represents work conducted from the 1950s through to the present.

This database adds over 500 drill holes and over 500,000 feet of drilling data results to the Company's existing library of data. Other than logs, the data set consists of volumes of maps, lithographic logs, geologic reports, and feasibility studies, and many other essential tools for uranium exploration and pre-extraction.

Our geologists have linked contents of the database to some of our existing properties, specifically pertaining to our projects in the Shirley Basin and Powder River Basin of Wyoming, and in the Grants Uranium District of New Mexico. We have exclusive ownership of this database.

Halterman

The Halterman database consists of exploratory and pre-extraction work compiled during the 1970s and 80s, including extensive data on significant prospects and projects in the following known uranium districts in the States of Colorado, New Mexico and Utah, including Grants, San Juan Basin, Chama Basin, Moab, Lisbon Valley, Dove Creek, Slick Rock and Uravan districts.

This database includes drilling and logging data from over 200,000 feet of uranium exploration and pre-extraction drilling, resource evaluations and calculations, drill-hole locations and grade thickness maps, competitor activity maps as well as several dozen geological and project evaluation reports covering uranium projects in New Mexico,

Colorado, Utah, Texas and California. We have exclusive ownership of this database.

Brenniman

The Brenniman database includes drilling and logging data from over two million feet of uranium exploration and pre-extraction drilling, resource calculation reports and various other geological reports, drill hole location maps and other mapping. This database includes approximately 142 drill hole gamma and E-logs. The data was originally compiled from 1972 to 1981 by various exploration companies, and covers over 100 uranium prospects in 15 southern U.S. states. This library will be used by our technical personnel to determine locations of where drill-indicated uranium may exist. We have exclusive ownership of this database.

Nueces

We have acquired copies of uranium drill logs from previous uranium exploration drilling projects covering a large area in the South Texas uranium trend. The data consists of approximately 150,000 feet of drill logs from 366 drill holes. This drill data provides regional geologic information and will be used to locate possible mineralized zones within the area of the South Texas uranium trend.

The data was acquired from Nueces Minerals Company, a privately-held oil and gas production company which owns the mineral rights to 72,000 contiguous acres covering portions of four counties in south Texas. We do not have ownership or exclusive rights to this data.

Kirkwood

We acquired a database of uranium exploration results covering an area of approximately 13,000 acres within the uranium zone known as the Poison Spider area, in central Wyoming. The area covered includes property already held by us, as well as by other publicly-traded uranium exploration companies. The database was compiled by William Kirkwood of North American Mining and Minerals Company, a significant participant in the uranium, coal, gold and oil and gas industries in the western United States since the 1960s. The data acquired was generated from exploration originally conducted by companies such as Homestake Mining, Kennecott Corp, Rampart Exploration and Kirkwood Oil and Gas, largely between 1969 and 1982. The database consists of drill hole assay logs for 470 holes, including 75,200 feet of drilling, 22,000 feet of gamma logs, drill hole location maps, cross sections, geological maps, geological reports, and other assay data and will be used to locate possible mineralized zones in the Poison Spider area in central Wyoming. We have exclusive ownership of this database.

Odell

We acquired the rights to a database containing over 50 years of uranium exploration data for the State of Wyoming. This database consists of 315,000 feet of drill logs, over 400 maps, copies of all US geological survey uranium publications dating back to 1954, and geological reports on uranium ore bodies throughout Wyoming. The database will be used to locate possible mineralized zones. The database is made available to the Company by Robert Odell, the compiler and publisher of the Rocky Mountain Uranium Minerals Scout since 1974. We do not own or have exclusive rights to this database.

Moore

We acquired a database of U.S. uranium exploration results from Moore Energy, a private Oklahoma-based uranium exploration company.

The Moore Energy U.S. uranium database consists of over 30 years of uranium exploration information in the States of Texas, New Mexico and Wyoming, originally conducted during the 1970s, 80s and 90s. It includes results of over 10,000 drill holes, plus primary maps, and geological reports. It covers approximately one million acres of prospective uranium claims, in the South Texas uranium trend, New Mexico, and Powder River Basin, Wyoming, as well as zones

in Texas, and will be used to locate possible mineralized zones.

The database also provides the Company with exploration data about its Goliad Project in south Texas, including 250,000 feet of drill logs and further delineates zones of potential uranium mineralization. It also contains drilling results from properties that are being developed by other uranium exploration companies, and also widespread regional data from throughout the South Texas uranium trend. We have exclusive ownership of this database.

Uranium Resources Inc.

We acquired the full database of historic drill results for the Company s Salvo ISR uranium project in Bee County, Texas. The database consists of 433 gamma ray/resistivity and lithology logs, PGT logs and drill plan maps.

Uranium One South Texas Goliad Project

The South Texas Goliad database includes raw and interpreted data compiled by Total Minerals (TOMIN) and others from the mid 1980 s to 1993. The database is an evaluation of the uranium potential within the Goliad Formation from south of Houston to the Mexican border.

Historically, following TOMIN s purchase of the Holiday - El Mesquite project, located in Duval County, Texas, in 1990, TOMIN found themselves in the possession of the Mobil uranium exploration database. Starting with this data, TOMIN also gathered regional oil and gas logs (included in the database), water well driller logs and other regional information to begin their study of the Goliad Formation along the South TX Uranium Trend.

As a result of the study, TOMIN identified 62 targets and drilled 22 by project end in 1993. Of the 22 drilled, 19 were disproved and the remaining awaits further drilling to develop trends. Another 40 targets remain to be evaluated.

To summarize, the database contains:

- 4,894 South Texas uranium logs 2.8 million feet of drilling;
- 13,882 South Texas O&G logs 41.6 million feet;
- 752 maps/sections across South Texas; and
- 103 documents, reports, analyses documenting the study.

Item 3. Legal Proceedings

As of the date of this Annual Report, other than as disclosed below, there are no material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which the Company or any of its subsidiaries is a party or of which any of their property is subject, and no director, officer, affiliate or record or beneficial owner of more than 5% of our common stock, or any associate or any such director, officer, affiliate or security holder, is (i) a party adverse to us or any of our subsidiaries in any legal proceeding or (ii) has an adverse interest to us or any of our subsidiaries in any legal proceeding. Other than as disclosed below, management is not aware of any other material legal proceedings pending or that have been threatened against us or our properties.

On or about March 9, 2011, the Texas Commission on Environmental Quality (the TCEQ) granted the Company s applications for a Class III Injection Well Permit, Production Area Authorization and Aquifer Exemption for its Goliad Project. On or about December 4, 2012, the U.S. Environmental Protection Agency (the EPA) concurred with the TCEQ issuance of the Aquifer Exemption permit (the AE). With the receipt of this concurrence, the final authorization required for uranium extraction, the Goliad Project achieved fully-permitted status. On or about May 24, 2011, a group of petitioners, inclusive of Goliad County, appealed the TCEQ action to the 250th District Court in Travis County, Texas. A motion filed by the Company to intervene in this matter was granted. The petitioners appeal lay dormant until on or about June 14, 2013, when the petitioners filed their initial brief in support of their position. On or about January 18, 2013, a different group of petitioners, exclusive of Goliad County, filed a petition for review with the Court of Appeals for the Fifth Circuit in the United States (the Fifth Circuit) to appeal the EPA s decision. On or about March 5, 2013, a motion filed by the Company to intervene in this matter was granted. The parties attempted to resolve both appeals and, to facilitate discussions and to avoid further legal costs, the parties jointly agreed, through mediation which was initially conducted through the Fifth Circuit on or about August 8, 2013, to abate the proceedings in the State District Court. On or about August 21, 2013, the State District Court agreed to abate the proceedings. The EPA subsequently filed a motion to remand without vacatur with the Fifth Circuit wherein the EPA's stated purpose was to elicit additional public input and further explain its rationale for the approval. In requesting the remand without vacatur, which would allow the AE to remain in place during the review period, the EPA denied the existence of legal error and stated that it was unaware of any additional information that would merit reversal of the AE. The Company and the TCEQ filed a request to the Fifth Circuit for the motion to remand without vacatur, if granted, to be limited to a 60-day review period. On December 9, 2013, by way of a procedural order from a three-judge panel of the Fifth Circuit, the Court granted the remand without vacatur and initially limited the review period to 60 days. In March of 2014, at the EPA s request, the Fifth Circuit extended the EPA s time period for review and additionally, during that same period, the Company conducted a joint groundwater survey of the site, the result of which reaffirmed the Company s previously filed groundwater direction studies. On or about June 17, 2014, the EPA reaffirmed its earlier decision to uphold the granting of the Company s existing AE, with the exception of a northwestern portion containing less than 10% of the uranium resource which was withdrawn, but not denied, from the AE area until additional information is provided in the normal course of mine development. On or about September 9, 2014, the petitioners filed a status report with the State District Court which included a request to remove the stay agreed to in August 2013 and to set a briefing schedule (the Status Report). In that Status Report, the petitioners also stated that they had decided not to pursue their appeal at the Fifth Circuit. The Company continues to believe that the pending appeal is without merit and is continuing forward as planned towards uranium extraction at its fully-permitted Goliad Project.

On or about April 3, 2012, the Company received notification of a lawsuit filed in the State of Arizona, in the Superior Court for the County of Yavapai, by certain petitioners (the Plaintiffs) against a group of defendants, including the Company and former management and board members of Concentric Energy Corp. The lawsuit asserts certain claims relating to the Plaintiffs equity investments in Concentric, including allegations that the former management and board members of Concentric engaged in various wrongful acts prior to and/or in conjunction with the merger of Concentric. The lawsuit originally further alleged that the Company was contractually liable for liquidated damages arising from a pre-merger transaction which the Company previously acknowledged and recorded as an accrued liability, and which portion of the lawsuit was settled in full by a cash payment of $149,194 to the Plaintiffs and

subsequently dismissed. The court dismissed several other claims set forth in the Plaintiffs initial complaint, but granted the Plaintiffs leave to file an amended complaint. The court denied a subsequent motion to dismiss the amended complaint, finding that the pleading met the minimal pleading requirements under the applicable procedural rules. In October 2013, the Company filed a formal response denying liability for any of the Plaintiffs remaining claims and is vigorously defending against any and all remaining claims asserted under this lawsuit. The parties have exchanged preliminary disclosure statements, and formal discovery has commenced. A trial date has been set for April 2016. The Company continues to believe that this lawsuit is without merit, and intends to file a dispositive motion prior to the deadline set by the court.

Item 4. Mine Safety Disclosures

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 (Mine Safety Act), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During the fiscal year ended July 31, 2014, the Company s Palangana Mine was not subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety Act.

PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Shares of our common stock commenced trading on the OTC Bulletin Board under the symbol URME on December 5, 2005. On September 28, 2007, shares of our common stock commenced trading on the NYSE MKT Equities Exchange (formerly known as the American Stock Exchange and the NYSE Amex Equities Exchange) under the symbol UEC . The market for our common stock is limited and can be volatile. The following table sets forth the high and low sales prices relating to our common stock on the NYSE MKT Equities Exchange on a quarterly basis for the periods indicated:

	NYSE MKT	
Quarter Ended	**High**	**Low**
July 2014	$1.92	$0.94
April 2014	$2.02	$1.00
January 2014	$2.08	$1.62
October 2013	$2.55	$1.76
July 2013	$2.65	$1.46
April 2013	$2.74	$1.40
January 2013	$2.71	$1.85
October 2012	$3.02	$1.80

The last reported sales price for our shares on the NYSE MKT Equities Exchange on October 8, 2014 was $1.12 per share. As of October 8, 2014, we had 236 shareholders of record.

Dividend Policy

No dividends have been declared or paid on our common stock. We have incurred recurring losses and do not currently intend to pay any cash dividends in the foreseeable future.

Securities Authorized For Issuance Under Compensation Plans

At July 31, 2014, we had one equity compensation plan, our 2014 Stock Incentive Plan (the 2014 Plan). The table set forth below presents information relating to our equity compensation plan at our fiscal year end July 31, 2014:

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)**	**Weighted Average Remaining Term of Outstanding Options, Warrants and Rights (c)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding column (a))**
Equity Compensation Plans Approved by Security Holders (2014 Stock Incentive Plan)	7,958,941	$2.09	4.90 years	7,520,000
	528,273[(1)(2)]	$1.22	1.57 years	Nil

Equity Compensation Plans Not Approved by Security Holders				
Total	**8,487,214**	**$2.04**	**4.69 years**	**7,520,000**

Notes:

(1) Includes 500,000 shares of our common stock to be issued upon the exercise of 500,000 compensatory warrants having an exercise price of $1.00 and a remaining term of 1.59 years issued on March 1, 2006 pursuant to a consulting services agreement. The Company has not issued any other compensatory warrants since March 1, 2006, and no other compensatory warrants were outstanding as of July 31, 2014.

(2) Includes 28,273 non-compensatory options having a weighted average exercise price of $5.18 and a weighted average remaining term of 1.28 years issued on March 30, 2012 in connection with the acquisition of Cue Resources Ltd. and outstanding on July 31, 2014, which were not issued pursuant to, and are not subject to the terms and conditions of, the Company s 2014 Stock Incentive Plan.

2014 Stock Incentive Plan

On June 9, 2014, our Board of Directors adopted the 2014 Plan, under which an aggregate of 15,493,788 shares may be issued, subject to adjustment as described in the 2014 Plan, and which at that time consisted of 7,993,788 shares issuable pursuant to options previously granted under the Company s prior stock incentive plan (as described below) and 7,500,000 additional shares that may be issued pursuant to awards that may be granted under the 2014 Plan. On July 24, 2014, our shareholders approved the adoption of our 2014 Plan. The 2014 Plan supersedes and replaces the Company s prior equity compensation plan, being the 2013 Stock Incentive Plan, such that no further shares are issuable under such plan.

The purpose of the 2014 Plan is to enhance our long-term stockholder value by offering opportunities to our directors, officers, employees and eligible consultants to acquire and maintain stock ownership in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in our service.

The 2014 Plan is to be administered by our Compensation Committee or any other committee appointed by and consisting of two or more members of the Board of Directors, which shall determine, among other things, (i) the persons to be granted awards under the 2014 Plan; (ii) the number of shares or amount of other awards to be granted; and (iii) the terms and conditions of the awards granted. The Company may issue shares, options, stock appreciation rights, deferred stock rights and dividend equivalent rights, among others, under the 2014 Plan.

An award may not be exercised after the termination date of the award and may be exercised following the termination of an Eligible Participant s continuous service only to the extent provided by the administrator under the 2014 Plan. If the administrator under the 2014 Plan permits an Eligible Participant to exercise an award following the termination of continuous service for a specified period, the award terminates to the extent not exercised on the last day of the specified period or the last day of the original term of the award, whichever occurs first. In the event an Eligible Participant s service has been terminated for cause, he or she shall immediately forfeit all rights to any of the awards outstanding.

The foregoing summary of the 2014 Plan is not complete and is qualified in its entirety by reference to the 2014 Plan, a copy of which has been filed electronically with the SEC, which is available under the Company s filings at www.sec.gov.

As of October 8, 2014, there were stock options outstanding under our 2014 Plan exercisable for an aggregate of 15,447,102 shares of our common stock.

Common Stock Purchase Warrants

As of October 8, 2014, there were common stock purchase warrants issued and outstanding exercisable for an aggregate of 5,009,524 shares of our common stock.

Recent Sales of Unregistered Securities

All of our issuances of unregistered securities during our fiscal year ended July 31, 2014 were previously disclosed in our Quarterly Reports on Form 10-Q for our first, second and third quarters of our fiscal year ended July 31, 2014 and in our current reports on Form 8-K as filed periodically with the SEC, except for the following:

- On May 23, 2014, we issued 20,000 shares of restricted common stock to a consultant at a deemed issuance price of $1.25 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) with respect to the issuance of these shares.

- On May 27, 2014, we issued 8,000 shares of restricted common stock to a consultant at a deemed issuance price of $1.82 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) with respect to the issuance of these shares. On the same date, we issued a further 3,334 shares of restricted common stock to a consultant at a deemed issuance price of $0.99 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) with respect to the issuance of these shares. On the same date, we issued a further 20,000 shares of restricted common stock to a consultant at a deemed issuance price of $1.50 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) with respect to the issuance of these shares.
- On June 24, 2014, we issued 20,000 shares of restricted common stock to a consultant at a deemed issuance price of $1.25 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) with respect to the issuance of these shares.
- On June 26, 2014, we issued 20,000 shares of restricted common stock to a consultant at a deemed issuance price of $1.50 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) with respect to the issuance of these shares.
- On July 24, 2014, we issued an aggregate of 35,946 shares of restricted common stock to two consultants at a deemed issuance price of $1.53 per share in consideration for services under consulting agreements. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) for one of the consultants and by Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act with respect to the other consultant. On the same date, we also issued an aggregate of 66,500 shares of restricted common stock to two consultants at a deemed issuance price of $1.61 per share in consideration for services under consulting agreements. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) for one of the consultants and by Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act with respect to the other consultant.
- On July 25, 2014, we issued 3,333 shares of restricted common shares to a consultant at a deemed issuance price of $0.99 per share in consideration for services under a consulting agreement. We relied on exemptions from registration under the Securities Act provided by Rule 506 of Regulation D and/or Section 4(a)(2) with respect to the issuance of these shares.
- On July 30, 2014, we issued an aggregate of 99,755 shares of restricted common stock to three lenders (and one of their assignees) at a deemed issuance price of $1.5037 per share pursuant to the terms of an amended and restated credit agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) for two of the lenders (and one of their assignees) and by Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act with respect to the other lender.
- On July 31, 2014, we issued an aggregate of 187,079 shares of restricted common stock to three lenders (and one of their assignees) at a deemed issuance price of $1.51434 per share pursuant to the terms of an amended and restated credit agreement. We relied on exemptions from registration under the Securities Act provided by Regulation S and/or Section 4(a)(2) for two of the lenders (and one of their assignees) and by Rule 506 of Regulation D and/or Section 4(a)(2) of the Securities Act with respect to the other lender.

Comparative Stock Performance

The graph below compares the cumulative total stockholder return on our common stock assuming an investment of $100 and the reinvestment of all dividends, if any, for the years ended July 31, 2010 through to July 31, 2014; with (i) the cumulative total return on the shares of common stock of a peer group index comprised of Denison Mines Corp., Paladin Energy Ltd. and Uranium Resources, Inc., and (ii) the cumulative return on the Russell 2000 Index.

	July 31, 2009	July 31, 2010	July 31, 2011	July 31, 2012	July 31, 2013	July 31, 2014
Uranium Energy Corp.	$ 100.00	$ 103.36	$ 125.37	$ 74.63	$ 86.19	$ 66.04
Peer Group	100.00	76.93	112.67	62.66	44.73	37.50
Russell 2000 Index	100.00	116.92	143.17	141.36	187.76	201.19

Item 6. Selected Financial Data

The following tables provide selected financial data for each of the past five fiscal years, and should be read in conjunction with, and are qualified in their entirety by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes for the fiscal year ended July 31, 2014 as presented under Item 8. Financial Statements and Supplementary Data. These historical results are not necessarily indicative of the results to be expected for any future period.

Consolidated Balance Sheets

	July 31, 2014	July 31, 2013	July 31, 2012	July 31, 2011	July 31, 2010
Cash and cash equivalents	**$ 8,839,892**	$ 14,171,807	$ 25,015,284	$ 30,724,051	$ 21,067,662
Working capital	**9,268,700**	11,703,311	22,472,302	30,020,926	16,243,838
Total assets	**64,907,320**	73,250,001	85,143,395	65,390,985	47,554,766
Total liabilities	**25,483,721**	15,804,923	9,222,914	6,268,194	5,518,429
Stockholders' equity	**39,423,599**	57,445,078	75,920,481	59,122,791	42,036,337

Consolidated Statements of Operations

	Year Ended July 31,				
	2014	2013	2012	2011	2010
Sales	**$ -**	$ 9,026,325	$ 13,757,400	$ -	$ -
Costs and expenses	**22,836,594**	30,836,954	38,363,293	27,906,601	22,431,147
Loss from continuing operations	**(25,975,107)**	(21,863,091)	(25,083,720)	(27,358,095)	(23,012,750)
Income from discontinued operations	**-**	-	-	-	8,534,081
Net loss for the year	**(25,975,107)**	(21,863,091)	(25,083,720)	(27,358,095)	(14,478,669)
Net loss per share, basic and diluted					
Continuing operations	**$ (0.29)**	$ (0.26)	$ (0.32)	$ (0.40)	$ (0.39)
Discontinued operations	**-**	-	-	-	0.14
Net loss per share, basic and diluted	**(0.29)**	(0.26)	(0.32)	(0.40)	(0.25)

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following management s discussion and analysis of the Company s financial condition and results of operations contain forward-looking statements that involve risks, uncertainties and assumptions including, among others, statements regarding our capital needs, business plans and expectations. In evaluating these statements, you should consider various factors, including the risks, uncertainties and assumptions set forth in reports and other documents we have filed with or furnished to the SEC, including, without limitation, this Form 10-K filing for the fiscal year ended July 31, 2014 including the consolidated financial statements and related notes contained herein. These factors, or any one of them, may cause our actual results or actions in the future to differ materially from any forward-looking statement made in this document. Refer to Forward-Looking Statements and Item 1A. Risk Factors.

Introduction

The following discussion summarizes our results of operations for each of the fiscal years ended July 31, 2014, 2013 and 2012 (Fiscal 2014 , Fiscal 2013 and Fiscal 2012 , respectively) and our financial condition as at July 31, 2014 and 2013, with a particular emphasis on Fiscal 2014, our most recently completed fiscal year.

Business

We operate in a single reportable segment and since 2004, as more fully described under General Business of Item 1. Business, we have been engaged in uranium mining and related activities, including exploration, pre-extraction, extraction and processing, on uranium projects located in the United States and Paraguay.

We utilize ISR mining where possible which we believe, when compared to conventional open pit or underground mining, requires lower capital and operating expenditures with a shorter lead time to extraction and a reduced impact on the environment. We have one uranium mine located in the State of Texas, the Palangana Mine, which utilizes ISR mining and commenced extraction of U_3O_8, or yellowcake, in November 2010. We have one uranium processing facility or mill located in the State of Texas, the Hobson Processing Facility, which processes material from the Palangana Mine into drums of U_3O_8, our only sales product and source of revenue, for shipping to a third-party storage and sales facility. At July 31, 2014, we had no uranium supply or off-take agreements in place.

Our fully-licensed and 100%-owned Hobson Processing Facility forms the basis for our regional operating strategy in the State of Texas, specifically the South Texas Uranium Belt where we utilize ISR mining. We utilize a hub-and-spoke strategy whereby the Hobson Processing Facility, which has a physical capacity to process uranium-loaded resins up to a total of two million pounds of U_3O_8 annually and is licensed to process up to one million pounds of U_3O_8 annually, acts as the central processing site (the hub) for our Palangana Mine and future satellite uranium mining activities, such as our Goliad and Burke Hollow Projects, located within the South Texas Uranium Belt (the spokes).

We also hold certain mineral rights in various stages in the States of Arizona, Colorado, New Mexico, Texas and Wyoming and in the Republic of Paraguay, many of which are located in historically successful mining areas and have been the subject of past exploration and pre-extraction activities by other mining companies. We do not expect, however, to utilize ISR mining for all of our mineral rights in which case we would expect to rely on conventional open pit and/or underground mining techniques.

Our operating and strategic framework is based on expanding our uranium extraction activities, which includes advancing certain uranium projects with established mineralized materials towards uranium extraction, and establishing additional mineralized materials on our existing uranium projects or through acquisition of additional uranium projects.

During Fiscal 2014:

- a strategic plan was announced on September 5, 2013 to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, most notably the uranium spot price being at historical lows. As a result, uranium extraction at PAA-1, 2 and 3 of the Palangana Mine operated at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices;
- permitting activities continued to advance at other PAAs of the Palangana Mine;
- processing equipment for the construction of the satellite facility and wellfield including long-lead items such as ion exchange vessels were received for the Goliad Project;
- permitting activities continued and a drill program comprised of 191 exploration holes totaling 87,105 feet was completed at the Burke Hollow Project located in Texas;
- a Preliminary Economic Assessment dated April 8, 2014 prepared in accordance with NI 43-101 was completed for the Slick Rock Project located in Colorado;
- reclamation work for the Mount Lucas Project was completed resulting in a release to unrestricted use from the TCEQ;
- a public offer and sale of 3,380,954 units of the Company was completed at a price of $2.10 per unit for gross proceeds of $7.1 million. Each unit was comprised of one share of the Company and 0.55 of one share purchase warrant, each whole warrant exercisable at a price of $2.60 for a three year period to purchase one additional share for a total 1,859,524 shares of the Company; and
- a $20,000,000 senior secured credit facility was completed pursuant to an Amended and Restated Credit Agreement dated and effective March 13, 2014 (the Amended Credit Facility), which supersedes in its entirety the Credit Agreement dated and effective July 30, 2013 (the Credit Facility), with Sprott Resource Lending Partnership and CEF (Capital Markets) Limited, under which we received initial funding of $10,000,000 upon closing of the Credit Facility on July 30, 2013 and an additional $10,000,000 upon closing of the Amended Credit Facility on March 13, 2014.

Since commencing uranium extraction at the Palangana Mine in November 2010 to July 31, 2014, the Hobson Processing Facility has processed finished goods representing 560,000 pounds (Fiscal 2014: 43,000; Fiscal 2013: 194,000; Fiscal 2012: 198,000) of U_3O_8 extracted solely from the Palangana Mine, of which 490,000 pounds of U_3O_8 (Fiscal 2014: Nil; Fiscal 2013: 220,000; Fiscal 2012: 270,000) were sold generating cumulative revenue of $22.8 million (Fiscal 2014: $Nil; Fiscal 2013: $9.0 million; Fiscal 2012: $13.8 million). This revenue generation was the direct result of commencing uranium extraction and neither incidental to nor the result of minerals encountered in the course of exploration or pre-extraction activities.

Key Issues

Since commencing uranium extraction at the Palangana Mine in November 2010 to July 31, 2014, we have been focused primarily on expanding our South Texas uranium mining activities and establishing additional uranium mines through exploration and pre-extraction activities and direct acquisitions in both the United States and Paraguay, all of which require us to manage numerous challenges, risks and uncertainties inherent in our business and operations as more fully described in Item 1A. Risk Factors.

Our operations are capital intensive, and we will require significant additional financing to acquire additional uranium projects and continue with our exploration and pre-extraction activities. Historically, we have been reliant primarily on equity financings from the sale of our common stock and, for Fiscal 2014 and 2013, on debt financing in order to fund our operations. We have also relied on cash flows generated from our mining activities during Fiscal 2013 and 2012; however, we have yet to achieve profitability or develop positive cash flow from operations. Our reliance on equity and debt financings is expected to continue for the foreseeable future, and their availability whenever such additional financing is required will be dependent on many factors beyond our control including, but not limited to, the market price of uranium, the continuing public support of nuclear power as a viable source of electricity

generation, the volatility in the global financial markets affecting our stock price and the status of the worldwide economy, any one of which may cause significant challenges in our ability to access additional financing, including access to the equity and credit markets. We may also be required to seek other forms of financing, such as joint venture arrangements, to continue advancing our uranium projects which would depend entirely on finding a suitable third party willing to enter into such an arrangement, typically involving an assignment of a percentage interest in the mineral project. However, there is no assurance that we will be successful in securing any form of additional financing when required and on terms favorable to us. Our inability to obtain additional financing would have a negative impact on our operations, including delays, curtailment or abandonment of any one or all of our uranium projects.

We have not established proven or probable reserves, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study for any of our mineral projects. We have established the existence of mineralized materials for certain uranium 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. Although no revenue from uranium sales was realized for Fiscal 2014, the Palangana Mine has been our sole source for the U_3O_8 sold to generate our revenues during Fiscal 2013 and 2012, with no revenues generated prior to Fiscal 2012. The economic viability of our mining activities, including the expected duration and profitability of the Palangana Mine and of any future satellite ISR mines, such as the Goliad or Burke Hollow Projects, located within the South Texas Uranium Belt, has many risks and uncertainties. These include, but are not limited to: (i) a significant, prolonged decrease in the market price of uranium; (ii) difficulty in marketing and/or selling uranium concentrates; (iii) significantly higher than expected capital costs to construct the mine and/or processing plant; (iv) significantly higher than expected extraction costs; (v) significantly lower than expected uranium extraction; (vi) significant delays, reductions or stoppages of uranium extraction activities; and (vii) the introduction of significantly more stringent regulatory laws and regulations. Our mining activities may change as a result of any one or more of these risks and uncertainties and there is no assurance that any ore body that we extract mineralized materials from will result in profitable mining activities.

At July 31, 2014, we had no uranium supply or off-take agreements in place. Future sales of U_3O_8 are therefore expected to generally occur through the uranium spot market, with any fluctuations in the market price continuing to have a direct impact on our revenues and cash flows. The table below provides the high/low/average/close for the uranium spot price for each of the last five fiscal years ended July 31 as obtained from The Ux Consulting Company, LLC:

Fiscal Year Ended	High	Low	Average	Close
July 31, 2014	$ 36.25	$ 28.00	$ 33.22	$ 28.50
July 31, 2013	49.25	34.25	43.50	34.50
July 31, 2012	55.25	49.00	50.69	49.50
July 31, 2011	73.00	45.00	57.23	51.50
July 31, 2010	48.50	40.50	43.48	46.00

Historically, the uranium spot price has been difficult to predict and subject to significant volatility, and will continue to be affected by numerous factors beyond our control.

Exploration Stage

We have established the existence of mineralized materials for certain uranium projects, including the Palangana Mine. We have not established proven or probable reserves, as defined by 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 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.

Since we commenced 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.

We prepare our consolidated financial statements in accordance with U.S. GAAP under which 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 drill 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 by the SEC 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. Since we are in the Exploration Stage, it has resulted in our reporting of larger losses than if we had been in the Production Stage due to the expensing, instead of capitalization, of expenditures relating to ongoing mill and mine development activities. Additionally, there would be no corresponding amortization allocated to our future reporting periods 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.

Development Stage Entity

Prior to the quarter ended October 31, 2011 (Fiscal 2012 Q1), we met the definition of a Development Stage Entity as defined under Accounting Standards Codification Section 915: Development Stage Entities (ASC 915) and presented the additional financial statement disclosures required by a Development Stage Entity under ASC 915, including the presentation of cumulative amounts since inception for the consolidated statements of operations and comprehensive loss, stockholders equity and cash flows. During Fiscal 2012 Q1, we generated significant revenue from our planned principal operations by completing our first sale of U_3O_8 and no longer met the definition of a Development Stage Entity. Accordingly, and starting with our Form 10-Q for Fiscal 2012 Q1, the additional financial statement disclosures required by a Development Stage Entity under ASC 915 were no longer presented.

Results of Operations for the Fiscal 2014, 2013 and 2012

For Fiscal 2014, 2013 and 2012, we recorded a net loss of $25,975,107 ($0.29 per share), $21,863,091($0.26 per share) and $25,083,720 ($0.32 per share), respectively. Costs and expenses during Fiscal 2014, Fiscal 2013 and Fiscal 2012 were $22,836,594, $30,836,954 and $38,363,293, respectively.

During Fiscal 2014, no revenue from sales of U3O8 was generated. During Fiscal 2013 and 2012, sales of U_3O_8 totaled 220,000 and 270,000 pounds generating revenues of $9,026,325 and $13,757,400, respectively, with corresponding cost of sales of $8,016,265 and $8,112,040. No revenue from sales of U_3O_8 was generated prior to Fiscal 2012.

During the last three fiscal years, we continued with uranium extraction at the Palangana Mine and processing of those materials at the Hobson Processing Facility, completed a number of strategic corporate and project acquisitions, including expansion of holdings of existing projects, and continued with exploration and pre-extraction activities on our various uranium projects.

During Fiscal 2014, we continued with uranium extraction in South Texas at the Palangana Mine and processing of those materials at the Hobson Processing Facility, but at a reduced pace as part of a strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment. We also expanded our holdings at the Longhorn Project in South Texas. In Colorado, we expanded our holdings at the Slick Rock Project.

During Fiscal 2013, we continued with uranium extraction in South Texas and added the PAA-3 wellfield at the Palangana Mine, and processing of those materials at the Hobson Processing Facility. We also expanded our holdings at the Burke Hollow Project in South Texas. In Colorado, we expanded our holdings at the Slick Rock Project.

During Fiscal 2012, we continued with uranium extraction in South Texas and added the PAA-2 wellfield at the Palangana Mine, and processing of those materials at the Hobson Processing Facility. In Paraguay, we acquired the Yuty Project, our second major project in that country, through the acquisition of Cue Resources Ltd. (Cue), a former publicly-traded company, and also acquired an additional two prospecting permits at the Coronel Oviedo Project. In Texas, we added the Burke Hollow Projects to our South Texas project portfolio. In Arizona, we acquired the Anderson Project through a merger with Concentric Energy Corp. (Concentric), a private company, and the Workman Creek Project. In Colorado, we expanded our holdings at the Slick Rock Project.

Uranium Extraction Activities

On September 5, 2013, we announced a strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, most notably the uranium spot price being at historical lows. As a result, uranium extraction at PAA-1, 2 and 3 of the Palangana Mine operated at a reduced pace during Fiscal 2014, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices. Pre-extraction activities at other PAAs of the Palangana Mine and at the Goliad Project continued as planned. While we remain in this state of operational readiness, uranium extraction expenditures directly related to regulatory/mine permit compliance, lease maintenance obligations and maintaining a minimum labor force will be charged to our consolidated statement of operations.

As a result of the above, U_3O_8 pounds extracted from the Palangana Mine and processed at the Hobson Processing Facility decreased significantly. During Fiscal 2014, the Palangana Mine extracted 44,000 pounds (Fiscal 2013: 183,000 pounds; Fiscal 2012: 183,000 pounds) of U_3O_8, and the Hobson Processing Facility processed 43,000 pounds (Fiscal 2013: 194,000 pounds; Fiscal 2012: 198,000 pounds) of U_3O_8.

Since commencing uranium extraction at the Palangana Mine in November 2010 to July 31, 2014, the Hobson Processing Facility has processed finished goods representing 560,000 pounds of U_3O_8, of which 490,000 pounds have been sold, resulting in a finished goods-inventory balance of 70,000 pounds of U_3O_8 remaining as of July 31, 2014.

At July 31, 2014, the total value of inventories was $1,896,475 of which $1,806,587 (96%) represented the value of finished goods of U_3O_8, $63,257 (3%) represented the value of work-in-progress and $26,631 (1%) represented the value of supplies. The cash component of the total value of inventories was $1,527,676 and the non-cash component of the total value of inventory was $368,799. During Fiscal 2014, inventory write-downs totaling $804,060 were recognized to adjust the U_3O_8 inventory balances in finished goods and work-in-progress to net realizable values to reflect market prices of U_3O_8, less estimated royalties.

At July 31, 2013, the total value of inventories was $975,719 of which $839,588 (86%) represented the value of finished goods of U_3O_8, $72,272 (7%) represented the value of work-in-progress and $63,859 (7%) represented the value of supplies. The cash component of the total value of inventories was $826,997 and the non-cash component of the total value of inventory was $148,722. At July 31, 2013, an inventory write-down of $425,208 was recognized to adjust the U_3O_8 inventory balance in finished goods and work-in-progress to net realizable value to reflect the market price of U_3O_8 at July 31, 2013, less estimated royalties.

Cash and non-cash components of the total value of inventories represent non-GAAP financial measures which we believe are important in evaluating our operating results not only for management but for our investors. We use these measures to compare our performance with other mining companies and rely upon them as part of management s decision-making process.

Costs and Expenses

During Fiscal 2014, costs and expenses totaled $22,836,594 (Fiscal 2013: $30,836,954; Fiscal 2012: $38,363,293), comprised of cost of sales of $Nil (Fiscal 2013: $8,061,265; Fiscal 2012: $8,112,040), inventory write-down of $804,060 (Fiscal 2013: $425,208; Fiscal 2012: $Nil), mineral property expenditures of $9,160,648 (Fiscal 2013: $10,010,691; Fiscal 2012: $14,938,722), general and administrative of $9,825,796 (Fiscal 2013: $10,832,929; Fiscal 2012: $14,036,974), depreciation, amortization and accretion of $2,392,866 (Fiscal 2013: $1,551,861; Fiscal 2012: $1,275,557) and impairment loss on mineral properties of $653,224 (Fiscal 2013: $Nil; Fiscal 2012: $Nil).

Cost of sales of U_3O_8 is determined using the average cost per pound in inventories at the end of the month prior to the month in which the sale occurs, and includes royalties and other direct selling costs.

Mineral Property Expenditures

During Fiscal 2014, mineral property expenditures totaled $9,160,648 (Fiscal 2013: $10,010,691; Fiscal 2012: $14,938,722), comprised of expenditures relating to permitting, property maintenance, exploration and pre-extraction activities and all other non-extraction related activities on our uranium projects. During Fiscal 2014, this amount includes uranium extraction expenditures directly related to maintenance of operational readiness and permitting compliance of $2,613,333 for the Palangana Mine and Hobson Processing Facility (Fiscal 2013: $Nil; Fiscal 2012: $Nil).

The following table provides a breakdown of mineral property expenditures by uranium mine/project during the past three fiscal years:

	Year Ended July 31,		
	2014	2013	2012
Mineral Property Expenditures			
Palangana Mine	**$ 2,566,770**	$ 4,347,025	$ 7,597,102
Goliad Project	**1,747,619**	540,853	646,314
Burke Hollow Project	**2,094,089**	2,225,132	1,176,101
Channen Project	**728**	843,243	190,009
Longhorn Project	**71,497**	16,335	10,163
Salvo Project	**14,384**	54,329	1,113,659
Anderson Project	**254,840**	117,008	375,058
Workman Creek Project	**32,290**	33,573	50,069
Slick Rock Project	**66,525**	147,043	47,691
Yuty Project	**451,464**	424,411	627,623
Coronel Oviedo Project	**759,804**	632,454	2,207,255
Other Mineral Property Expenditures	**1,100,638**	629,285	897,678
	$ 9,160,648	$ 10,010,691	$ 14,938,722

The following is a breakdown of mineral property expenditures by major category for each uranium mine/project:

- Palangana Mine: Permitting and property maintenance (Fiscal 2014: $195,964; Fiscal 2013: $472,071; Fiscal 2012: $66,663), exploration programs (Fiscal 2014: $180,122; Fiscal 2013: $164,727; Fiscal 2012: $1,267,211), plant development (Fiscal 2014: $87,755; Fiscal 2013: $96,592; Fiscal 2012: $257,386), wellfield development (Fiscal 2014: $179,412; Fiscal 2013: $3,445,710; Fiscal 2012: $5,530,299), disposal well development (Fiscal 2014: $Nil; Fiscal 2013: $167,925; Fiscal 2012: $475,543) and maintenance of operational readiness and permitting compliance (Fiscal 2014: $1,923,517; Fiscal 2013: $Nil; Fiscal 2012: $Nil);
- Goliad Project: Permitting and property maintenance (Fiscal 2014: $288,014; Fiscal 2013: $319,780; Fiscal 2012: $139,269), exploration programs (Fiscal 2014: $350,866; Fiscal 2013: $137,892; Fiscal 2012: $353,013), plant development (Fiscal 2014: $829,700; Fiscal 2013: $47,648; Fiscal 2012: $111,189) and wellfield development (Fiscal 2014: $279,039; Fiscal 2013: $35,533; Fiscal 2012: $42,843);
- Burke Hollow Project: Permitting and property maintenance (Fiscal 2014: $339,640; Fiscal 2013: $485,241; Fiscal 2012: $450) and exploration programs (Fiscal 2014: $1,754,449; Fiscal 2013: $1,739,891; Fiscal 2012: $1,175,651);

- Channen Project: Permitting and property maintenance (Fiscal 2014: $728; Fiscal 2013: $41,267; Fiscal 2012: $Nil) and exploration programs (Fiscal 2014: $Nil; Fiscal 2013: $801,976; Fiscal 2012: $190,009);
- Longhorn Project: Permitting and property maintenance (Fiscal 2014: $20,143; Fiscal 2013: $1,712, Fiscal 2012: $Nil) and exploration programs (Fiscal 2014: $51,354; Fiscal 2013: $14,623; Fiscal 2012: $10,163);
- Salvo Project: Permitting and property maintenance (Fiscal 2014: $14,384; Fiscal 2013: $54,329; Fiscal 2012: $57,293) and exploration programs (Fiscal 2014: $Nil; Fiscal 2013: $Nil; Fiscal 2012: $1,056,366);
- Anderson Project: Permitting and property maintenance (Fiscal 2014: $83,851; Fiscal 2013: $90,860; Fiscal 2012: $74,047) and exploration programs (Fiscal 2014: $170,989; Fiscal 2013: $26,148; Fiscal 2012: $301,011);
- Workman Creek Project: Permitting, property maintenance and exploration programs (Fiscal 2014: $32,290; Fiscal 2013: $33,573; Fiscal 2012: $50,069);
- Slick Rock Project: Permitting and property maintenance (Fiscal 2014: $41,578; Fiscal 2013: $41,020: Fiscal 2012: $15,820) and exploration programs (Fiscal 2014: $24,947; Fiscal 2013: $106,023; Fiscal 2012: $31,871);
- Yuty Project: Permitting and property maintenance (Fiscal 2014: $192,953; Fiscal 2013: $266,708; Fiscal 2012: $582,326) and exploration programs (Fiscal 2014: $258,511; Fiscal 2013: $157,703; Fiscal 2012: $45,297); and
- Coronel Oviedo Project: Permitting and property maintenance (Fiscal 2014: $150,000; Fiscal 2013: $80,688; Fiscal 2012: $106,823) and exploration programs (Fiscal 2014: $609,804; Fiscal 2013: $551,766; Fiscal 2012: $2,100,432).

General and Administrative

During Fiscal 2014, general and administrative expenses totaled $9,825,796 (Fiscal 2013: $10,832,929; Fiscal 2012: $14,036,974), for decreases of $1,007,133 during Fiscal 2014 compared to Fiscal 2013 and $3,204,045 during Fiscal 2013 compared to Fiscal 2012. General and administrative expenses are comprised of salaries, management and consulting fees of $3,446,206 (Fiscal 2013: $3,810,697; Fiscal 2012: $3,865,885); office, investor relations, communications and travel of $3,325,020 (Fiscal 2013: $4,623,797; Fiscal 2012: $5,835,862), professional fees of $1,745,120 (Fiscal 2013: $1,436,520; Fiscal 2012: $1,592,537) and stock-based compensation expense of $1,309,450 (Fiscal 2013: $961,915; Fiscal 2012: $2,742,690).

The following summary provides a discussion of the major expense categories, including analyses of the factors that caused any significant variances from year-to-year:

- For Fiscal 2014, salaries, management and consulting fees totaled $3,446,206 (Fiscal 2013: $3,810,697; Fiscal 2012: $3,865,885), which have remained relatively consistent on a year-to-year basis;
- During Fiscal 2014, office, investor relations, communications and travel expenses totaled $3,325,020, which decreased significantly by $1,298,777 compared to $4,623,797 during Fiscal 2013, which also decreased significantly by $1,212,065 compared to $5,835,862 during Fiscal 2012. We experienced a significant expansion during Fiscal 2012 as a result of a number of strategic corporate and project acquisitions completed in the States of Texas, Arizona and Colorado and the Republic of Paraguay. Since then, we have focused our efforts on monitoring and controlling these costs to reduce expenses wherever possible as reflected by the significant decreases realized during Fiscal 2014 and 2013;
- During Fiscal 2014, professional fees totaled $1,745,120, which increased by $308,600 compared to $1,436,520 during Fiscal 2013 due primarily to increased legal and audit fees as a result of strategic corporate development activities and increased regulatory compliance requirements. During Fiscal 2013, professional fees totaled $1,436,520, which decreased by $156,017 compared to $1,592,537 during Fiscal 2012; and

- During Fiscal 2014, stock-based compensation expense totaled $1,309,450, which increased by $347,535 compared to $961,915 during Fiscal 2013 as a result of an increase in equity-based payments for consulting services as part of our efforts to reduce cash outlay. During Fiscal 2013, stock-based compensation expense totaled $961,915, which decreased significantly by $1,780,775 compared to $2,742,690 during Fiscal 2012. This decrease was primarily the result of a significant decrease in the number of stock options granted during Fiscal 2013 compared to Fiscal 2012. Stock-based compensation represents the fair value of stock options granted to employees, directors, management and consultants, including the fair value of common stock issued to consultants.

Depreciation, Amortization and Accretion

For Fiscal 2014, depreciation, amortization and accretion totaled $2,392,866, which increased by $841,005 compared to $1,551,861 during Fiscal 2013 due primarily to the recognition of depreciation, amortization and accretion directly related to the maintenance of operational readiness and permitting compliance.

For Fiscal 2013, depreciation, amortization and accretion totaled $1,551,861, which increased by $276,304 compared to $1,275,557 during Fiscal 2012 as a result of the expansion in our operations.

Depreciation, amortization and accretion include depreciation and amortization of long-term assets acquired in the normal course of operations and accretion of asset retirement obligations.

Impairment Loss on Mineral Properties

During Fiscal 2014, we abandoned the Channen Project located in Texas with an acquisition cost of $428,164, the Todilto Project located in New Mexico with an acquisition cost of $166,720 and certain other interests located in Arizona, Colorado and Texas with a combined acquisition cost of $58,340. As a result, an impairment loss on mineral properties of $653,224 was reported on the consolidated statement of operations in Fiscal 2014. No impairment loss was recorded in Fiscal 2013 and Fiscal 2012.

Other Income and Expenses

During Fiscal 2014, other expenses totaled $3,208,222, which increased by $3,145,007 compared to $63,215 during Fiscal 2013. During Fiscal 2013, other expenses totaled $63,215, which decreased by $476,400 compared to $539,615 during Fiscal 2012.

The following summary provides a discussion of the major other expenses items, including analyses of the factors that caused any significant variances from year-to-year:

Interest and Finance Costs

During Fiscal 2014, interest and finance costs totaled $2,893,816 (Fiscal 2013: $32,758; Fiscal 2012: $30,898), comprised primarily of amortization of deferred financing costs of $167,047 (Fiscal 2013: $Nil; Fiscal 2012: $Nil), amortization of debt discount of $1,331,811 (Fiscal 2013: $4,583; Fiscal 2012: $Nil) and interest and standby fees of $1,372,222 (Fiscal 2013: $6,667; Fiscal 2012: $Nil) paid on long-term debt.

Loss on Fair Value of Variable Share Forward Contract

During Fiscal 2014, loss on fair value of variable share forward contract totaled $331,130 (Fiscal 2013: $Nil; Fiscal 2012: $Nil). Refer to Note 8: Long-Term Debt of the Notes to the Consolidated Financial Statements for the fiscal year ended July 31, 2014.

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Gain or Loss on Settlement of Current Liabilities

On July 30, 2014, the first anniversary of the closing of the Credit Facility, we paid the one-time fee of $150,000 through the issuance of 99,755 shares of the Company with a fair value of $170,581, resulting in the recognition of a loss on settlement of current liabilities of $20,581.

During Fiscal 2013, we made cash payments totaling $42,850 as full settlements for a total $53,759 in accounts payable and accrued liabilities assumed from the Cue acquisition, resulting in the recognition of a gain on settlement of current liabilities of $10,909.

During Fiscal 2012, we settled certain accounts payable and accrued liabilities assumed from the Cue and Concentric acquisitions totaling $710,646 by cash payments totaling $330,928 and the issuance of 40,312 shares of the Company with a fair value of $158,426, resulting in the recognition of a gain on settlement of current liabilities of $221,292.

Gain or Loss on Settlement of Asset Retirement Obligations

During Fiscal 2014, the Company settled asset retirement obligations of $12,146 with cash payments of $13,551. In connection with the release of the Mount Lucas Project to unrestricted use, the Company derecognized the remaining asset retirement obligation liabilities of $11,236 associated with the Mount Lucas Project. As a result, we recognized a gain on settlement of asset retirement obligations of $9,831.

During Fiscal 2013, the Company settled asset retirement obligations of $109,916 (Fiscal 2012: $619,772) with cash payments of $142,305 (Fiscal 2012: $1,064,220). As a result, we recognized a loss on settlement of asset retirement obligations of $32,389 (Fiscal 2012: $444,448).

Loss on Fair Value and Settlement of Convertible Debentures

During Fiscal 2012, the Company assumed the obligations of certain convertible debentures previously issued by Concentric with a combined estimated fair value of $1,707,938. During 2012, these convertible debentures were settled in full by cash payments totaling $1,370,486 and the issuance of 128,508 shares of the Company with a fair value of $699,340 for an aggregate value of $1,757,619, resulting in the recognition of a loss on settlement of convertible debentures of $312,207. During Fiscal 2012, the Company also recognized a loss on fair value of convertible debentures of $49,681.

Liquidity and Capital Resources

		July 31, 2014		July 31, 2013
Cash and cash equivalents	**$**	**8,839,892**	$	14,171,807
Current assets		**11,567,034**		16,527,822
Current liabilities		**2,298,334**		4,824,511
Working capital		**9,268,700**		11,703,311

At July 31, 2014, we had working capital of $9,268,700, a decrease of $2,434,611 from working capital of $11,703,311 at July 31, 2013. At July 31, 2014, we had $8,839,892 (July 31, 2013: $14,171,807) in cash and cash equivalents, which continues to represent the largest component of our working capital balance. As a result, our working capital balance will fluctuate significantly as we utilize our cash and cash equivalents to fund our operations including exploration and pre-extraction activities.

On September 5, 2013, we announced our strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, most notably the uranium spot price being at historical lows. As a result, uranium extraction at PAA-1, 2 and 3 of the Palangana Mine operated at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation

of a recovery in uranium spot prices. Pre-extraction activities at other PAAs of the Palangana Mine and at the Goliad Project continued as planned, as well as further exploration and permitting activities completed at the Burke Hollow Project. As a result, we did not rely on cash flows generated from our mining activities during Fiscal 2014 to the extent relied upon during Fiscal 2013 and 2012.

No revenue from the sale of U_3O_8 was realized during Fiscal 2014. Although our planned principal operations have commenced from which significant revenues from sales of U_3O_8 were realized during Fiscal 2013 of $9,026,325 and Fiscal 2012 of $13,757,400, we have yet to achieve profitability and have had a history of operating losses and significant negative cash flow since inception. For Fiscal 2014, our net losses totaled $25,975,107 (Fiscal 2013: $21,863,091; Fiscal 2012: $25,083,720) and we had an accumulated deficit balance of $168,662,146 as at July 31, 2014. During Fiscal 2014, net cash flows decreased by $5,331,915 compared to decreases of $10,843,477 during Fiscal 2013 and $5,708,767 during Fiscal 2012.

Historically, we have been reliant primarily on equity financings from the sale of our common stock and, during Fiscal 2014 and 2013, on debt financing in order to fund our operations. We have also relied on cash flows generated from our mining activities during Fiscal 2013 and 2012; however, we have yet to achieve profitability or develop positive cash flow from operations, and we do not expect to achieve profitability or develop positive cash flow from operations in the near term. Our reliance on equity and debt financings is expected to continue for the foreseeable future, and their availability whenever such additional financing is required will be dependent on many factors beyond our control including, but not limited to, the market price of uranium, the continuing public support of nuclear power as a viable source of electricity generation, the volatility in the global financial markets affecting our stock price and the status of the worldwide economy, any one of which may cause significant challenges in our ability to access additional financing, including access to the equity and credit markets. We may also be required to seek other forms of financing, such as joint venture arrangements to continue advancing our uranium projects which would depend entirely on finding a suitable third party willing to enter into such an arrangement, typically involving an assignment of a percentage interest in the mineral project. However, there is no assurance that we will be successful in securing any form of additional financing when required and on terms favorable to us.

Our operations are capital intensive and future capital expenditures are expected to be substantial, and we will require significant additional financing to fund our operations, including continuing with our exploration and pre-extraction activities. In the absence of such additional financing, we would not be able to fund our operations, including continuing with our exploration and pre-extraction activities, which may result in delays, curtailment or abandonment of any one or all of our uranium projects.

Existing cash resources and anticipated sources of financing are expected to provide sufficient funds to meet our obligations and carry out our plan of operations for the fiscal year ending July 31, 2015 (Fiscal 2015). On this basis, we estimate that for Fiscal 2015, a total of up to $2.8 million will be incurred on our uranium projects for exploration and pre-extraction activities, such as permitting and drilling including related labor. We hold mineral rights in the States of Arizona, Colorado, New Mexico, Texas and Wyoming and the Republic of Paraguay with annual land-related payments totaling $1.1 million to maintain these rights in good standing.

Our anticipated operations including exploration and pre-extraction activities, however, will be dependent on and may change as a result of our financial position, the market price of uranium and other considerations, and such change may include accelerating the pace or broadening the scope of reducing our operations as originally announced on September 5, 2013. Our ability to secure adequate funding for these activities will be impacted by our operating performance, other uses of cash, the market price of uranium, the market price of our common stock and other factors which may be beyond our control. Specific examples of such factors include, but are not limited to:

- if the weakness in the market price of uranium experienced in Fiscal 2014 continues or weakens further during Fiscal 2015;
- if the weakness in the market price of our common stock experienced in Fiscal 2014 continues or weakens further during Fiscal 2015;
- if we default on making scheduled payments of principal, interest and fees and complying with the restrictive covenants as required under our debt financing during Fiscal 2015, and it results in accelerated repayment of our indebtedness and/or enforcement by the lenders against certain key assets securing our indebtedness; and

- if another nuclear incident, such as the events that occurred at Fukushima in March 2011, were to occur during Fiscal 2015, continuing public support of nuclear power as a viable source of electricity generation may be adversely affected, which may result in significant and adverse effects on both the nuclear and uranium industries.

Our continuation as a going concern for a period beyond Fiscal 2015 will be dependent upon our ability to obtain adequate additional financing, as our operations are capital intensive and future capital expenditures are expected to be substantial.

Our long-term success, including the recoverability of the carrying values of our assets and our ability to acquire additional uranium projects and continue with exploration and pre-extraction activities and mining activities on our existing uranium projects, will depend ultimately on our ability to achieve and maintain profitability and positive cash flow from our operations by establishing ore bodies that contain commercially recoverable uranium and to develop these into profitable mining activities. The economic viability of our mining activities, including the expected duration and profitability of the Palangana Mine and of any future satellite ISR mines, such as the Goliad and Burke Hollow Projects, located within the South Texas Uranium Belt, has many risks and uncertainties. These include, but are not limited to: (i) a significant, prolonged decrease in the market price of uranium; (ii) difficulty in marketing and/or selling uranium concentrates; (iii) significantly higher than expected capital costs to construct the mine and/or processing plant; (iv) significantly higher than expected extraction costs; (v) significantly lower than expected uranium extraction; (vi) significant delays, reductions or stoppages of uranium extraction activities; and (vii) the introduction of significantly more stringent regulatory laws and regulations. Our mining activities may change as a result of any one or more of these risks and uncertainties and there is no assurance that any ore body that we extract mineralized materials from will result in profitable mining activities.

Debt Financing

Pursuant to an Amended and Restated Credit Agreement dated and effective March 13, 2014 (the Amended Credit Facility), which supersedes in its entirety the Credit Agreement dated and effective July 30, 2013 (the Credit Facility), we entered into a $20,000,000 senior secured credit facility with Sprott Resource Lending Partnership and CEF (Capital Markets) Limited, under which we received initial funding of $10,000,000 upon closing of the Credit Facility on July 30, 2013 and an additional $10,000,000 upon closing of the Amended Credit Facility on March 13, 2014.

The Amended Credit Facility is non-revolving with a four-year term maturing on July 31, 2017, and subject to an interest rate of 8% per annum on the principal balance outstanding, compounded and payable on a monthly basis, and various annual fees payable in cash and/or shares of the Company. Monthly principal repayments equal to one twelfth of the principal balance then outstanding are required to commence on July 31, 2016. The Amended Credit Facility is secured against the lease and related rights comprising the Hobson Processing Facility and the mineral and related rights comprising the Goliad Project.

We are required to use the proceeds of the Amended Credit Facility for the development, operation and maintenance of the Hobson Processing Facility, the Goliad Project and the Palangana Mine and for working capital purposes.

Refer to Note 8: Long-Term Debt of the Notes to the Consolidated Financial Statements for the fiscal year ended July 31, 2014.

Equity Financings

We filed a Form S-3 Shelf Registration Statement effective September 2, 2011 providing for the public offer and sale of certain securities of the Company from time to time, at our discretion, up to an aggregate amount of $50 million (the 2011 Shelf).

On April 10, 2012, we completed a public offer and sale of 6,246,078 shares of the Company at a price of $3.60 per share for gross proceeds of $22.5 million pursuant to a prospectus supplement to the 2011 Shelf.

On October 23, 2013, we completed a public offer and sale of 3,380,954 units of the Company at a price of $2.10 per unit for gross proceeds of $7.1 million pursuant to a prospectus supplement to the 2011 Shelf. Each unit was

comprised of one share of the Company and 0.55 of one share purchase warrant, each whole warrant exercisable at a price of $2.60 for a three year period to purchase one additional share for a total 1,859,524 shares of the Company.

A total of $34.4 million of the 2011 Shelf was utilized through these public offers and sales of shares and units, which included $4.8 million representing the aggregate exercise price of the share purchase warrants should they be exercised in full. We filed a further Form S-3 Registration Statement effective December 31, 2013 providing for the public offer and sale of certain securities of the Company from time to time, at our discretion, representing an additional 20%, or $3.1 million, of the then remaining $15.6 million available under the 2011 Shelf, which increased the remaining amount available under the 2011 Shelf to $18.7 million.

On December 31, 2013, we filed a prospectus supplement to the 2011 Shelf providing for the public offer and sale of shares of the Company having an aggregate offering price of up to $18.7 million through one or more at-the-market offerings (the ATM Offering) pursuant to a Controlled Equity Offering SM Sales Agreement effective December 31, 2013 with Cantor Fitzgerald & Co. as sales agent. At July 31, 2014, no public offer and sale of shares of the Company had been completed under the ATM Offering. Subsequent to July 31, 2014, we completed a public offer and sale of 280,045 shares of the Company at a price of $1.70 per share for gross proceeds of $474,788 under the ATM Offering.

The 2011 Shelf expired on September 2, 2014. As a result, no further public offer and sale of the Company s shares may be completed through the ATM Offering under the 2011 Shelf.

We filed a second Form S-3 Shelf Registration Statement effective January 10, 2014 providing for the public offer and sale of certain securities of the Company from time to time, at our discretion, up to an aggregate offering of $100 million.

Operating Activities

During Fiscal 2014, net cash used in operating activities was $21,268,103 (Fiscal 2013: $19,311,001; Fiscal 2012: $19,208,463). During Fiscal 2014, no revenue from the sale of U_3O_8 was realized. During Fiscal 2013, we received cash proceeds of $9,026,325 from sales of U_3O_8 totaling 220,000 pounds (Fiscal 2012: $13,757,400 from sales of U_3O_8 totaling 270,000 pounds). Significant operating expenditures included uranium extraction costs, mineral property expenditures and general and administrative expenses. In addition, during Fiscal 2014, we incurred expenditures totaling $13,551 (Fiscal 2013: $142,305; Fiscal 2012: $1,064,220) for cash settlement of asset retirement obligations.

Financing Activities

During Fiscal 2014, net cash provided by financing activities was $15,898,384 (Fiscal 2013: $9,414,538; Fiscal 2012: $20,191,533). During Fiscal 2014, we received additional net proceeds of $9,972,944 and during Fiscal 2013, initial net proceeds of $9,405,946 from the $20 million senior secured credit facility. During Fiscal 2014, we received net proceeds of $6,532,123 (Fiscal 2013: $Nil; Fiscal 2012: $20,968,743) through public offers and sale of our common stock. During Fiscal 2014, we received net proceeds of $27,400 (Fiscal 2013: $46,464; Fiscal 2012: $554,120) from the exercise of stock options and share purchase warrants. During Fiscal 2014, we paid transaction costs of $417,477 related to the loan facility and $217,269 related to the ATM Offering. During Fiscal 2012, the Company paid $1,370,486 in cash for settlement of convertible debentures assumed from the acquisition of Concentric Energy Corp.

Investing Activities

During Fiscal 2014, net cash provided by investing activities was $37,804 (Fiscal 2013: $947,014 used in; Fiscal 2012: $6,691,837 used in). During Fiscal 2014, the Company acquired mineral rights and properties totaling $161,800 (Fiscal 2013: $275,030; Fiscal 2012: $4,444,919) and purchased equipment totaling $163,276 (Fiscal 2013: $179,115; Fiscal 2012: $1,321,678). During Fiscal 2014, the Company received a reclamation deposit refund of $362,280 for the release of the Mount Lucas Project to unrestricted use. During Fiscal 2013 and 2012, the Company paid $497,869 and $932,740, respectively, for additional reclamation deposits relating to our uranium extraction and related activities.

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Stock Options and Warrants

At July 31, 2014, the Company had stock options outstanding representing 7,987,214 common shares at a weighted-average exercise price of $2.10 per share and share purchase warrants outstanding representing 5,009,524 common shares at a weighted-average exercise price of $2.38 per share. At July 31, 2014, outstanding stock options and warrants represented a total 12,996,738 common shares issuable for gross proceeds of approximately $28,740,000 should these stock options and warrants be exercised in full. At July 31, 2014, outstanding in-the-money stock options and warrants represented a total 2,642,441 common shares exercisable for gross proceeds of approximately $1,497,000 should these in-the-money stock options and warrants be exercised in full. The exercise of these stock options and warrants is at the discretion of the respective holders and, accordingly, there is no assurance that any of these stock options or warrants will be exercised in the future.

Plan of Operations

For Fiscal 2015, uranium extraction at PAA-1, 2 and 3 of the Palangana Mine is expected to continue being operated at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices. In terms of future growth, exploration and/or pre-extraction including permitting activities at other PAAs of the Palangana Mine and at the Goliad and Burke Hollow Projects are expected to continue as planned. We also plan on continuing to advance our projects outside of Texas, such as our Anderson Project in Arizona and Slick Rock Project in Colorado for which Preliminary Economic Assessments have recently been completed.

Material Commitments

Long-Term Debt Obligations

Pursuant to the Amended Credit Facility described above, which supersedes in its entirety the Credit Facility described above, we entered into a $20,000,000 senior secured credit facility with Sprott Resource Lending Partnership and CEF (Capital Markets) Limited, under which we received initial funding of $10,000,000 upon closing of the Credit Facility on July 30, 2013 and an additional $10,000,000 upon closing of the Amended Credit Facility on March 13, 2014.

The Amended Credit Facility is non-revolving with a four-year term maturing on July 31, 2017, and subject to an interest rate of 8% per annum on the principal balance outstanding, compounded and payable on a monthly basis, and various annual fees payable in cash and/or shares of the Company. Monthly principal repayments equal to one twelfth of the principal balance then outstanding are required to commence on July 31, 2016.

The Amended Credit Facility requires scheduled payments of principal, interest and fees and includes restrictive covenants that, among other things, limit our ability to sell the assets securing our indebtedness or to incur additional indebtedness other than permitted indebtedness. If we become unable to make these scheduled payments or if we do not comply with any one or more of these covenants, we could be in default which, if not addressed or waived, could require accelerated repayment of our indebtedness. Furthermore, such default could result in the enforcement by the lenders against certain assets securing our indebtedness, which include the lease and related rights comprising the Hobson Processing Plant and the mineral and related rights comprising the Goliad Project. These are key assets on which our business is substantially dependent and as such, the enforcement against any one or all of these assets would have a material adverse effect on our operations and financial condition.

At July 31, 2014, we have made all scheduled payments and complied with all of the covenants under the Amended Credit Facility, and we expect to continue complying with all scheduled payments and covenants during our fiscal year ending July 31, 2015.

		Payment Due by Period			
Contractual Obligations	**Total**	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Long-Term Debt Obligations - Principal	**$ 20,000,000**	$ -	$ 20,000,000	$ -	$ -
Long-Term Debt Obligations - Interests and Fees	**4,092,963**	1,672,222	2,420,741	-	-
Asset Retirement Obligations	**6,382,549**	198,816	2,058,932	-	4,124,801
Operating Lease Obligations	**264,292**	227,423	36,869	-	-
Capital Lease Obligations	**-**	-	-	-	-
Purchase Obligations	**-**	-	-	-	-
Total	**$ 30,739,804**	$ 2,098,461	$ 24,516,542	$ -	$ 4,124,801

At July 31, 2014, we were renting or leasing office premises in Texas, U.S.A, Vancouver, British Columbia, Canada and in Paraguay for total monthly payments of $20,171. Office lease agreements expire between October 2014 and January 2016 for the United States and Canada.

Commitments for Management Services

At July 31, 2014, we were committed to paying our key executives a total of $511,321 per year for management services.

Uranium Delivery Commitments

We entered into a multi-year uranium sales contract in June 2011, as amended in January 2012, requiring the delivery of a total 320,000 pounds of U_3O_8 by us over a three-year period starting in August 2011. The sales price was based on published market price indicators at the time of delivery. During Fiscal 2012 and 2013, a total of 290,000 pounds of U_3O_8 were sold under this contract and during Fiscal 2014, the remaining delivery commitment of 30,000 pounds under this contract was cancelled at no cost to the Company. At July 31, 2014, we had no uranium supply or off-take agreements in place.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies

For a complete summary of all of our significant accounting policies, refer to Note 2: Summary of Significant Accounting Policies of the notes to our consolidated financial statements as presented under Item 8. Financial Statements and Supplementary Data.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities including contingencies at the date of the financial statements and revenues and expenses during the period reported. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Actual results may differ significantly from these estimates under different conditions or

assumptions. The following summary provides a description of our critical accounting policies:

Inventories

Inventories are comprised of supplies, uranium concentrates and work-in-progress. Expenditures include mining and processing activities that result in future extraction of uranium concentrates and depreciation and depletion charges. Mining and processing costs include labor, chemicals, directly attributable uranium extraction expenditures and overhead related to uranium extraction. Inventories are carried at the lower of cost or net realizable value and are valued and charged to cost of sales using the average costing method.

Mineral Rights and Exploration Stage

Acquisition costs of mineral rights are 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, as defined by the SEC under Industry Guide 7, through the completion of a final or bankable feasibility study. Expenditures relating to exploration activities are expensed as incurred and expenditures relating to pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project s capitalized expenditures are depleted over proven and probable reserves upon commencement of production using the units-of-production method. Where proven and probable reserves have not been established, such capitalized expenditures are depleted over the estimated extraction life upon commencement of extraction using the straight-line method. We have not established proven or probable reserves for any of our projects.

Mineral rights are assessed for impairment indicators by management on a quarterly basis and tested for impairment of carrying value when an impairment indicator exists. Should management determine that these carrying values cannot be recovered, the unrecoverable amounts are written off against earnings.

Restoration and Remediation Costs (Asset Retirement Obligations)

Various federal and state mining laws and regulations require the reclamation of the surface areas and restoration of underground water quality for our mine projects to the pre-existing mine area average quality after the completion of mining.

Future reclamation and remediation costs, which include extraction equipment removal and environmental remediation, are accrued at the end of each period based on management's best estimate of the costs expected to be incurred at each project. Such estimates are determined by our engineering studies which consider the costs of future surface and groundwater activities, current regulations, actual expenses incurred, and technology and industry standards.

In accordance with ASC 410, Asset Retirement and Environmental Obligations, we capitalize the measured fair value of asset retirement obligations to mineral rights and properties. The asset retirement obligations are accreted to an undiscounted value until the time at which they are expected to be settled. The accretion expense is charged to earnings and the actual retirement costs are recorded against the asset retirement obligations when incurred. Any difference between the recorded asset retirement obligations and the actual retirement costs incurred will be recorded as a gain or loss in the period of settlement.

On a quarterly basis, we review the assumptions used to estimate the expected cash flows required to settle the assets retirement obligations, including changes in estimated probabilities, amounts and timing of the settlement of the asset retirement obligation, as well as changes in the legal obligation requirements at each of our mineral projects. Changes in any one or more of these assumptions may cause revision of asset retirement obligations for the corresponding assets.

Revenue Recognition

The recognition of revenue from the sale of uranium concentrates is in accordance with the guidelines outlined in ASC Section 605-10-25, Revenue Recognition. We deliver our uranium concentrates to a uranium storage facility and once the product is confirmed to meet the required specifications, we receive credit for a specified quantity measured in pounds. Future sales of uranium concentrates are expected to generally occur under uranium supply agreements or through the uranium spot market. Once a sale of uranium concentrates is negotiated, we will notify the uranium

storage facility with instructions for a title transfer to the customer. Revenue is recognized once a title transfer of the uranium concentrates is confirmed by the uranium storage facility at which point the customer is invoiced by us.

Accounting Developments

Other than already noted under Note 2: Summary of Significant Accounting Policies of the notes to our consolidated financial statements as presented under Item 8. Financial Statements and Supplementary Data and discussed under Critical Accounting Policies above, no recently adopted or recently issued accounting pronouncements are anticipated to have a material effect on our consolidated financial statements.

Subsequent Event

Other than as already disclosed elsewhere in this Form 10-K Annual Report, the Company has the following subsequent event to report:

Subsequent to July 31, 2014, stock options were granted under the 2014 Stock Incentive Plan to the Company s directors, officers, employees and consultants to purchase a total of 7,540,000 shares of the Company exercisable at a price of $1.32 per share over a five-year term with vesting provisions over an 18-month period.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risks includes, but is not necessarily limited to, equity price risk, uranium price risk, foreign currency risk, country risk and interest rate risk.

Equity Price Risk

We are subject to market risk related to the market price of our common stock which trades on the NYSE MKT Equities Exchange. Historically, we have been reliant primarily on equity financings from the sale of our common stock to fund our operations. Movements in the price of our common stock have been volatile in the past and may continue to be volatile in the future. As a result, there is risk that we may not be able to complete an equity financing at an acceptable price when required.

Uranium Price Risk

We are subject to market risk related to the market price of uranium. At July 31, 2014, we had no uranium supply or off-take agreements in place. Since future sales of uranium concentrates are expected to generally occur through the uranium spot market, fluctuations in the market price of uranium would have a direct impact on our revenues, results of operations and cash flows. We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our uranium price exposure to manage our uranium price risk.

Foreign Currency Risk

We are subject to market risk related to foreign currency exchange rate fluctuations. Our functional currency is the United States dollar, however, a portion of our business is transacted in other currencies including the Canadian dollar and the Paraguayan Guarani. To date, these fluctuations have not had a material impact on our results of operations. We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our foreign currency exposure to manage our foreign currency fluctuation risk.

Country Risk

We are subject to market risk related to our operations in our operations in foreign jurisdictions. We hold two significant uranium projects in Paraguay. Operations in foreign jurisdictions outside of the U.S. and Canada, especially in developing countries, may be subject to additional risks as they may have different political, regulatory, taxation, economic and cultural environments that may adversely affect the value or continued viability of our rights.

Interest Rate Risk

Our term debt has fixed interest rates and we have no significant exposure to interest rate fluctuation risk.

Item 8. Financial Statements and Supplementary Data

Financial Statements

The consolidated financial statements and related information as listed below for the fiscal year ended July 31, 2014 are included in this Form 10-K beginning on page F-1:

- Reports of Independent Registered Public Accounting Firm;
- Consolidated Balance Sheets;
- Consolidated Statements of Operations and Comprehensive Loss;
- Consolidated Statements of Cash Flows;
- Consolidated Statements of Stockholders Equity; and
- Notes to the Consolidated Financial Statements.

Supplementary Financial Information

The selected unaudited financial data for each of the quarters for the two most recent fiscal years are presented below:

		For the Quarters Ended		
	July 31, 2014	April 30, 2014	January 31, 2014	October 31, 2013
Sales	**$ -**	$ -	$ -	$ -
Net loss	**(6,219,172)**	(6,697,107)	(7,178,894)	(5,879,934)
Total comprehensive loss	**(6,219,156)**	(6,704,335)	(7,182,920)	(5,882,235)
Basic and diluted loss per share	**(0.07)**	(0.08)	(0.08)	(0.07)
Total assets	**64,907,320**	70,496,960	67,320,964	73,692,104

		For the Quarters Ended		
	July 31, 2013	April 30, 2013	January 31, 2013	October 31, 2012
Sales	$ 1,980,000	$ 2,789,325	$ 2,103,750	$ 2,153,250
Net loss	(5,077,213)	(3,900,045)	(5,588,210)	(7,297,623)
Total comprehensive loss	(5,050,693)	(3,900,279)	(5,591,888)	(7,298,104)
Basic and diluted loss per share	(0.06)	(0.05)	(0.06)	(0.09)
Total assets	73,250,001	67,927,245	72,188,198	76,682,464

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on such evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

It should be noted that any system of controls is based in part upon certain assumptions designed to obtain reasonable (and not absolute) assurance as to its effectiveness, and there can be no assurance that any design will succeed in achieving its stated goals.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as required by Sarbanes-Oxley (SOX) Section 404(a). The Company's internal control over financial reporting is a process designed under the supervision of the Company's Principal Executive Officer and Principal Financial Officer, and effected by the Company s Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with United States generally accepted accounting principles.

As of July 31, 2014, management assessed the effectiveness of the Company's internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) and SEC guidance on conducting such assessments. Based on that evaluation, the Company s management concluded that, as at July 31, 2014, such internal control over financial reporting was effective.

The independent registered public accounting firm that audited the financial statements included in this annual report on Form 10-K has issued an attestation report on the Company s internal control over financial reporting which attestation report has been included in the financial statements.

We will continue to monitor and evaluate the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and are committed to taking further action by implementing additional enhancements or improvements, or deploying additional human resources as may be deemed necessary.

Changes in Internal Controls

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fourth fiscal quarter for the fiscal year ended July 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable

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PART III

Item 10. Directors, Executive Officers and Corporate Governance

Our directors and executive officers and their respective ages as of October 10, 2014 are as follows:

Name	Age	Position with the Company
Amir Adnani	36	President, Chief Executive Officer, Principal Executive Officer and a director
Alan Lindsay	64	Chairman and a director
Ivan Obolensky	89	A director
Vincent Della Volpe	72	A director
David Kong	68	A director
Ganpat Mani	67	A director
Mark Katsumata	48	Secretary, Treasurer, Chief Financial Officer and Principal Accounting Officer
Scott Melbye	52	Executive Vice President

The following describes the business experience of each of our directors, including other directorships held in reporting companies:

Amir Adnani. Mr. Adnani is a founder of our Company and has served as the President, Chief Executive Officer and a director since January 2005. Under his leadership, UEC moved from concept to initial production in the U.S. in five years, and has developed a pipeline of low-cost, near-term production projects.

Mr. Adnani has been invited to speak at prominent industry conferences organized by the International Atomic Energy Agency, World Nuclear Fuel Market and the Milken Institute. He is a frequent contributor to the business media including *The Wall Street Journal*, Bloomberg, CNBC and Fox Business News.

Fortune magazine distinguishes Mr. Adnani on their 40 Under 40, Ones to Watch list of North American executives. He is recognized by a qualified resource industry investment advisory, Casey Research, as one of the sector s leading entrepreneurs and executives, a list researched and known as Casey s NexTen. He is a nominee for Ernst & Young s Entrepreneur of the Year distinction.

Mr. Adnani is the founder and Chairman of Brazil Resources Inc., a publicly-listed gold exploration company that is growing through acquisitions of projects of merit in the gold districts of Brazil. In addition, he has served as a director of Garnero Group Acquisition Company, a U.S. reporting company, since June 2014. Mr. Adnani holds a Bachelor of Science degree from the University of British Columbia and serves on the university s Alumni Advisory Board.

The Board of Directors has concluded that Mr. Adnani should serve as a director given his involvement with our Company since its inception and his experience in the uranium industry.

Alan Lindsay. Mr. Lindsay is a co-founder of our Company and has served as Chairman of our Company since December 2005. Mr. Lindsay continues to serve as Chairman and a director of Bullfrog Gold Corp. listed on the OTCBB since July 2011. Mr. Lindsay was a co-founder of MIV Therapeutics, Inc., a biomedical company focused on biocompatible coating technology for stents and medical devices, and served as a director from October 2001 to March 2010, and as Chief Executive Officer from October 2001 to January 2008. Mr. Lindsay was a co-founder of TapImmune Inc., a development stage biotechnology company, and served as Chairman and a director from

December 2005 to July 2009. Mr. Lindsay was a founder of Strategic American Oil Corporation (now known as Hydrocarb Energy Corp.), and served as an officer and director from April to July 2005 and from April 2007 to December 2010.

Mr. Lindsay was a founder of Azco Mining Inc. (now known as Santa Fe Gold Corp.) and served as Chairman, President and Chief Executive Officer from 1992 to 2000. Azco Mining Inc. was listed on the Toronto Stock Exchange in 1993 and on the American Stock Exchange in 1994. Mr. Lindsay was a co-founder of Anatolia Minerals Development Limited (now known as Alacer Gold Corp.) and New Oroperu Resources Inc., two publicly traded companies with gold discoveries and listed on the Toronto Stock Exchange and the TSX Venture Exchange (the TSX-V), respectively. Mr. Lindsay served as a director of Terra Firma Resources Inc. listed on the TSX-V from August 2011 to July 2013. From 2005 to 2008, Mr. Lindsay served as a director of Hana Mining Ltd., a formerly public company listed on the TSX-V.

The Board of Directors has concluded that Mr. Lindsay should serve as a director given that he is one of the co-founders of our Company and his involvement with our Company since its inception, and also given his business experience with other public companies.

Ivan Obolensky. Mr. Obolensky has served on our Board of Directors since April 2007. Mr. Obolensky has over 40 years of experience in investment banking as a supervisory financial analyst, with specific expertise in the defense, aerospace, oil and gas, nuclear power, metals and mining, publishing and high technology industries. Mr. Obolensky is a senior associate of the Scott Abraham Investment Group with Raymond James & Associates, Inc. He has also been a Senior Executive of several investment banks, including Sterling Grace & Co., Jesup, Josephthal & Co., Dominick and Dominick, Inc., Middendorf Colgate, CB Richard Ellis Moseley Hallgarten and Wellington Shields & Co. LLC, from November 1990 to April 2014. Mr. Obolensky is a Registered Investment Advisor and a long-time member of the New York Society of Security Analysts and the CFA Institute. As the 21-year President of the Josephine Lawrence Hopkins Foundation, he served as a 33º Master Mason and a Past Grand Treasurer of the Grand Lodge of the State of New York, where he presently serves as Chairman of its watchdog Financial Oversight Committee for the Masonic Brotherhood Foundation. Professionally, he has made frequent appearances as a guest of CNBC, CNNfn and Bloomberg TV. Mr. Obolensky is also a pro-active board member of several charitable organizations: The Children s Cancer & Blood Foundation; The Bouverie Audubon Preserve of Glen Ellen California; The Police Athletic League of New York City; and General Blackjack Pershing s Soldiers , Sailors , Marines , and Airmen s Club, where he is also Chairman and CEO. He is a graduate of Yale University, attended Law School at the University of Virginia, and is a Lieutenant (Jg) US Naval Air Corps, USNR (Ret.).

The Board of Directors has concluded that Mr. Obolensky should serve as a director given his involvement with our Company since 2007 and his over 40 years of experience as a financial analyst in investment banking.

Vincent Della Volpe. Mr. Della Volpe has served on our Board of Directors since July 2007. Mr. Della Volpe has served as a professional money manager for over 35 years, including as a senior portfolio manager of pension funds for Honeywell Corporation and senior vice president of the YMCA Retirement fund in New York. Throughout his career Mr. Della Volpe has particularly focused on the management of energy and utility equity portfolios, and he also has experience managing venture capital investments. Mr. Della Volpe holds a Bachelor of Arts in Accounting and an MBA in finance, both from Seton Hall University. From 2006 to 2011, Mr. Della Volpe served as a director of Gold Canyon Resources, Inc., a junior natural resource company listed on the TSX-V.

The Board of Directors has concluded that Mr. Della Volpe should serve as a director given his involvement with our Company since 2007 and his over 35 years of experience in the financial industry.

David Kong. Mr. Kong became a director of our Company on January 5, 2011. Mr. Kong serves as a director of New Pacific Metals Corp., a public company listed on the Toronto Stock Exchange since November 2010, as a director of Silvercorp Metals Inc., a public company listed on the New York Stock Exchange and the Toronto Stock Exchange since November 2011, as a director of Brazil Resources Inc., a public company listed on the TSX-V since October 2010, and as a director of New Era Minerals Inc., a public Company listed on the TSX-V since June 2014. Mr. Kong served as a director of IDM International Limited, a public company listed on the Australian Stock Exchange from November 2011 to October 2012, as a director of Channel Resources Ltd., a public company listed on the TSX-V from July 2010 to June 2012 and as a director of Hana Mining Ltd., a formerly public company listed on the TSX-V from July 2010 to February 2013, when it was privatized. Mr. Kong holds a Bachelor in Business Administration and earned his Chartered Accountant designation in British Columbia in 1978 and his U.S. CPA (Illinois) designation in 2002. Mr. Kong was a partner at Ellis Foster, Chartered Accountants from 1981 to 2004, before merging with Ernst & Young LLP in 2005, where he was a partner until 2010. Mr. Kong is a certified director (ICD.D) of the Institute of Corporate Directors.

The Board of Directors has concluded that Mr. Kong should serve as a director given his business experience, accounting and financial expertise.

Ganpat Mani. Mr. Mani became a director of our Company on June 2, 2014. From 2009 to 2013, Mr. Mani was President and Chief Executive Officer of ConverDyn, a partnership between affiliates of Honeywell International Inc. and General Atomics, which specializes in the nuclear fuel conversion trade. During this time he also served as a director of the Nuclear Energy Institute and was a member of the U.S. Civil Nuclear Trade Advisory Committee. He is a highly experienced negotiator of contracts with major private and state-owned corporations in Asia, Europe and the U.S. Notably, Mr. Mani negotiated the agreement for the return of uranium feed from the Metropolis conversion facility under the Megatons to Megawatts program between the U.S. and Russia. He also met with government and industry organizations as part of the U.S. Department of Commerce s multiple nuclear trade missions to India.

From 1994 to 2007, Mr. Mani held several senior marketing positions with ConverDyn, including having served as Senior Vice President. At ConverDyn, he was responsible for relations with major nuclear utilities in Asia, Europe and the U.S. and with enrichment companies in Europe and the U.S. He has prepared position papers and draft legislative language for, and represented ConverDyn in, meetings with the U.S. Departments of Commerce, Energy and State and with industry trade organizations. From 1973 to 1994, Mr. Mani worked at Honeywell International Inc. (formerly Allied-Signal Inc.), where his career spanned a variety of functional areas and product lines.

Mr. Mani holds an MBA from Rutgers University and a Bachelor of Technology Degree in Metallurgical Engineering from Loughborough University, UK.

The Board of Directors has concluded that Mr. Mani should serve as a director given his expertise and experience in the uranium industry, particularly his in-depth knowledge of the global nuclear fuel market.

The following describes the business experience of each of the non-director executive officers of our Company:

Mark Katsumata. Since January 5, 2011, Mr. Katsumata has served as our Secretary, Treasurer and Chief Financial Officer. Mr. Katsumata was previously a director of our Company and the Chairman of our Audit Committee from May 11, 2009 until January 5, 2011. Mr. Katsumata has been a member in good standing of the Certified General Accountants Association of British Columbia and Canada since 1997, and has over 20 years of senior management experience serving as the Chief Financial Officer/Vice President, Finance of a number of NYSE MKT, Toronto Stock Exchange and TSX-V-listed mining companies. Prior to that, Mr. Katsumata was involved as the external auditor of publicly-traded mining companies. Mr. Katsumata was previously the Chief Financial Officer/Vice President, Finance of Denison Mines Corp., an NYSE MKT and Toronto Stock Exchange-listed uranium producer and explorer.

Scott Melbye. Mr. Melbye has served as our Executive Vice President since September 8, 2014. Mr. Melbye is a 30 year veteran of the nuclear energy industry having held key leadership positions in major global uranium mining companies and various industry organizations. He has passionately promoted the growth and competitiveness of the nuclear fuel cycle in making nuclear power a clean, affordable and reliable source of energy to meet the world s ever expanding needs.

As our Executive Vice President, Mr. Melbye is responsible for the uranium marketing and sales function and is a key contributor towards the achievement of the Company s strategic growth objectives. He is also Vice President Commercial of the Uranium Participation Corporation managing an Exchange Traded Fund, which allows investors to buy and hold physical uranium. In addition, Mr. Melbye is Principal of Castle Rock Uranium LLC, a uranium investment and consulting company based in Denver, Colorado. Through June 2014, Mr. Melbye was Executive Vice President, Marketing for Uranium One, responsible for global sales activities, where he expanded the company s forward book, particularly in the emerging markets of the United Arab Emirates and China. He also supported the global investor-relations efforts of the CEO during the time the company was publically traded on the Toronto Stock Exchange. Uranium One is among the world s top four uranium producers from its mines in Kazakhstan, Australia and

the United States, and is the wholly-owned mining subsidiary of the Russian nuclear energy company Rosatom.

Prior to this, Mr. Melbye spent 22 years with the Cameco Group of companies, both in the Saskatoon head office and with their U.S. subsidiaries. He most recently served as President of Cameco Inc., the subsidiary responsible for managing the company s world-wide uranium marketing and trading activities (annual sales exceeding 30 million pounds U3O8 through established relationships with most global nuclear utilities). Previous experience includes uranium brokerage and trading at Nukem Inc. in New York, and nuclear fuel procurement at the Palo Verde Nuclear Generating Station in Arizona.

Mr. Melbye is a frequent speaker at nuclear industry conferences and has participated in numerous high-level, U.S. and Canadian trade missions to markets such as China, India, United Arab Emirates and Mexico. In 1999, Mr. Melbye provided expert testimony in support of Kazakhstan before the International Trade Commission in Washington, D.C., which lifted trade restrictions on Kazakh uranium in the United States. He currently serves as Chair of the Board of Governors of the World Nuclear Fuel Market (WNFM), and is President of the Uranium Producers of America (UPA). The UPA is the domestic uranium mining industry organization which promotes rational regulatory policy and responsible disposition of U.S. Department of Energy inventories. He was also elected to the Nuclear Energy Institute Board of Directors. Mr. Melbye has been active in grassroots Republican politics, having worked on two United States Senate races and serving with Minnesota Governor, Tim Pawlenty, on the statewide leadership team for Bush/Cheney 04. Mr. Melbye received a Bachelor of Science in Business Administration with degree specialization in International Business from Arizona State University in 1984.

Term of Office

All of our directors hold office until the next annual general meeting of the shareholders or until their successors are elected and qualified. Our officers are appointed by our Board of Directors and hold office until their earlier death, retirement, resignation or removal.

Significant Employees

There are no significant employees other than our executive officers.

Family Relationships

Alan Lindsay is the father-in-law of Amir Adnani.

Audit Committee

Our Board of Directors has established an Audit Committee that operates under a written charter approved by the Board. The Audit Committee has been structured to comply with Rule 10A-3 under the Exchange Act. The Audit Committee is comprised of David Kong, Vincent Della Volpe and Ivan Obolensky. Mr. Kong is the Chairman of the Audit Committee. All of the members of the Audit Committee qualify as independent directors under the listing standards of the NYSE MKT. The Board of Directors of the Company has determined that David Kong qualifies as an audit committee financial expert pursuant to SEC rules.

Involvement in Certain Legal Proceedings

Except as disclosed in this annual report, during the past ten years none of the following events have occurred with respect to any of our directors or executive officers:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

    i) Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

    ii) Engaging in any type of business practice; or

    iii) Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

   i) Any Federal or State securities or commodities law or regulation; or

   ii) Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

   iii) Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

There are currently no legal proceedings to which any of our directors or officers is a party adverse to us or in which any of our directors or officers has a material interest adverse to us.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics Policy (the Code of Ethics) that applies to all directors and officers. The Code of Ethics describes the legal, ethical and regulatory standards that must be followed by the directors and officers of the Company and sets forth high standards of business conduct applicable to each director and officer. The Code of Ethics sets forth written standards that are designed to deter wrongdoing and to promote, among other things:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of violations of the code to the appropriate person or persons identified in the code; and
- accountability for adherence to the code.

A copy of our Code of Ethics can be viewed on our website at the following URL:
http://www.uraniumenergy.com/about_us/corporate_governance/code_of_ethics/.

Corporate Governance and Nominating Committee

Our Board of Directors has established a Corporate Governance and Nominating Committee that operates under a written charter approved by the Board. The Corporate Governance and Nominating Committee is comprised of Vincent Della Volpe, Ivan Obolensky and David Kong. Mr. Della Volpe is the Chairman of the Corporate Governance and Nominating Committee. All of the members of the Corporate Governance and Nominating Committee qualify as independent directors under the listing standards of the NYSE MKT.

The Corporate Governance and Nominating Committee is responsible for developing an appropriate approach to corporate governance issues and compliance with governance rules. The Corporate Governance and Nominating Committee is also mandated to plan for the succession of our Company, including recommending director candidates, review of board procedures, size and organization and monitoring of senior management with respect to governance issues.

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The Corporate Governance and Nominating Committee identifies individuals believed to be qualified to become board members and recommends individuals to fill vacancies. There are no minimum qualifications for consideration for nomination to be a director of the Company. The Corporate Governance and Nominating Committee assesses all nominees using generally the same criteria. In nominating candidates, the Corporate Governance and Nominating Committee takes into consideration such factors as it deems appropriate, including judgment, experience, skills and personal character, as well as the needs of the Company. The Corporate Governance and Nominating Committee does not have a formal policy with regard to the consideration of diversity in identifying director nominees, and historically has not considered diversity as a major criteria for identifying director nominees.

The Corporate Governance and Nominating Committee has performed a review of the experience, qualifications, attributes and skills of our Company s current directors and believes that our Company s current directors possess a variety of complementary skills and characteristics, including the following:

- personal characteristics, including leadership, character, integrity, accountability, sound business judgment and personal reputation;
- successful business or professional experience;
- various areas of expertise or experience, including financial, strategic and general management;
- willingness and ability to commit the necessary time to fully discharge the responsibilities of a director in connection with the affairs of the Company; and
- a demonstrated commitment to the success of the Company.

The Corporate Governance and Nominating Committee considers nominees recommended by stockholders if such recommendations are made in writing to the Corporate Governance and Nominating Committee and evaluates nominees for election in the same manner whether the nominee has been recommended by a stockholder or otherwise. To recommend a nominee, please write to the Company's Corporate Governance and Nominating Committee, c/o Uranium Energy Corp., at 1111 West Hastings Street, Suite 320, Vancouver, British Columbia, Canada, V6E 2J3.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our directors and officers, and the persons who beneficially own more than 10% of our common stock, to file reports of ownership and changes in ownership with the SEC. Copies of all filed reports are required to be furnished to us pursuant to Rule 16a-3 promulgated under the Exchange Act. Based solely on the reports received by us and on the representations of the reporting persons, we believe that all such reports were timely filed during the fiscal year ended July 31, 2014, within two business days as required by the SEC, except as follows:

Name	Number of Late Reports	Number of Transactions Not Reported on Timely Basis
Andrew William Kurrus III	1	1
Leonard Garcia	1	2
Pat Obara	1	2

Item 11. Executive Compensation

Compensation Discussion and Analysis

Oversight of Executive Compensation Program

Our Board of Directors has established a Compensation Committee that operates under a written charter approved by the Board. The Compensation Committee is comprised of Vincent Della Volpe, Ivan Obolensky and David Kong. Mr. Della Volpe is the Chairman of the Compensation Committee. All of the members of the Compensation Committee qualify as independent directors under the listing standards of the NYSE MKT. The Board of Directors has determined that none of the Compensation Committee members have any material business relationships with the Company. The independence of the Compensation Committee members is re-assessed regularly by the Company.

The Compensation Committee of our Board of Directors is responsible for establishing and administering the Company s executive and director compensation.

The responsibilities of the Compensation Committee, as stated in its charter, include the following:

- review and approve the Company s compensation guidelines and structure;
- review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Chief Executive Officer;
- review and approve on an annual basis the evaluation process and compensation structure for the Company s other officers, including salary, bonus, incentive and equity compensation; and
- periodically review and make recommendations to the Board of Directors regarding the compensation of non-management directors.

The Compensation Committee is responsible for developing the executive compensation philosophy and reviewing and recommending to the Board of Directors for approval all compensation policies and compensation programs for the executive team.

Consistent with good governance practices, in May 2012, the Compensation Committee retained an independent compensation advisor to provide advice on the structure and levels of compensation for our executive officers and directors and to undertake a comprehensive review of our incentive plans.

Overview of Executive Compensation Program

The Company recognizes that people are our primary asset and our principal source of competitive advantage. In order to recruit, motivate and retain the most qualified individuals as senior executive officers, the Company strives to maintain an executive compensation program that is competitive in the mining industry, which is a competitive, global labor market.

The Compensation Committee s compensation objective is designed to attract and retain the best available talent while efficiently utilizing available resources. The Compensation Committee compensates executive management primarily through base salary and equity compensation designed to be competitive with comparable companies, and to align management s compensation with the long-term interests of shareholders. In determining an executive management s compensation, the Compensation Committee also takes into consideration the financial condition of the Company and discussions with the executive.

In order to accomplish our goals and to ensure that the Company s executive compensation program is consistent with its direction and business strategy, the compensation program for our senior executive officers is based on the following objectives:

- to attract, motivate, retain and reward a knowledgeable and driven management team and to encourage them to attain and exceed performance expectations within a calculated risk framework; and

- to reward each executive based on individual and corporate performance and to incentivize such executives to drive the organization s current growth and sustainability objectives.

The following key principles guide the Company s overall compensation philosophy:

- compensation is designed to align executives to the critical business issues facing the Company;
- compensation should be fair and reasonable to shareholders and be set with reference to the local market and similar positions in comparable companies;
- a substantial portion of total compensation is at-risk and linked to individual efforts, as well as divisional and corporate performance. This ensures the link between executive pay and business performance;
- an appropriate portion of total compensation should be equity-based, aligning the interests of executives with shareholders; and
- compensation should be transparent to the Board of Directors, executives and shareholders.

Compensation Elements and Rationale

There are three basic components to the Company s executive compensation program: base salary; short-term incentive cash awards and long-term incentive equity compensation.

Base Salary

Base salary is the foundation of the compensation program and is intended to compensate competitively relative to comparable companies within our industry and the marketplace where we compete for talent. Base salary is a fixed component of the compensation program and is used as the base to determine elements of incentive compensation and benefits.

Short-Term Incentive (Cash)

The short-term incentive plan is a variable component of compensation and has the objective of motivating the executive officers to achieve pre-determined objectives and to provide a means to reward the achievement of corporate milestones and fulfillment of the annual business plan.

Historically, the amount of the short-term incentive awards paid to the Company s executive officers was determined by the Company s Compensation Committee on a discretionary basis, given the Company s stage of development and its transitional stage of growth, based on the expected benefits to the Company for meeting its performance targets, the Company s available resources and market conditions. In Fiscal 2014, the Compensation Committee undertook a comprehensive review of the Company s short-term incentive plan. The Compensation Committee considered the advice of its independent compensation advisor and recommendations issued by leading independent proxy advisors to develop a more objective approach for determining annual incentive awards.

In Fiscal 2014, the Compensation Committee established guidelines for the amount of annual incentive awards payable to the executives as a percentage of an executive s base salary for specific performance targets and levels achieved. The Compensation Committee established minimum performance targets and levels, and maximum incentive awards, with no incentive compensation payable for performance falling below minimum performance levels and maximum incentive compensation equivalent to 200% of an executive s base salary payable for superior performance across all performance levels. In determining the appropriate performance targets and levels the Compensation Committee considered operating targets for the year, the Company s overall business and strategic plan and prevailing market conditions.

In Fiscal 2014, the Compensation Committee approved the following guidelines for the payment of incentive awards to the executives:

- annual incentive awards shall be payable for performance meeting or exceeding target performance levels;

- a maximum incentive award equivalent to 60% of an executive s base salary shall be payable for performance meeting target performance levels;
- a maximum incentive award equivalent to 120% of an executive s base salary shall be payable for performance meeting superior performance levels;
- no annual incentive awards shall be payable for performance falling below target performance levels;
- the value of individual performance targets shall be determined by the Compensation Committee;
- the payment of annual incentive awards shall be subject to a determination by the Board of Directors that the Company maintains sufficient cash on hand to meet the Company s financial obligations as determined on the date of payment; and
- annual incentive awards shall be subject to a provision for recovery or clawback if a payment is subsequently determined by the Board of Directors to have been based on materially inaccurate financial statements or materially inaccurate performance criteria.

The Compensation Committee determined that it would continue evaluating and evolving the compensation program design against best market practices as the Company experiences further growth.

Long-Term Incentive (Equity)

The Company s long-term incentive program provides for the granting of stock options to senior executive officers to both motivate executive performance and retention, as well as to align executive officer performance to shareholder value creation. In awarding long-term incentives, the Company compares the long-term incentive program to that of comparable companies within our industry and evaluates such factors as the number of options available under its Stock Incentive Plan and the number of options outstanding relative to the number of shares outstanding. The Company has historically sought to award stock options on a competitive basis based on a comparison with comparable companies.

Each long-term incentive grant is based on the level of the position held and overall market competitiveness. The Compensation Committee takes into consideration previous grants when it considers new grants of options.

The Board of Directors fixes the exercise price of the options at the time of the grant at the NYSE MKT closing price of our common shares.

No long-term equity incentive plan awards were awarded to the executive officers in Fiscal 2014.

In Fiscal 2014, the Compensation Committee undertook a comprehensive review of the Company s long-term incentive plan. The Compensation Committee considered the advice of its independent compensation advisor and recommendations issued by leading independent proxy advisors to enhance governance practices within its long-term incentive plan. The Compensation Committee recommended modifications to the Company s long-term incentive plan and on June 9, 2014 our Board of Directors adopted the Company s 2014 Stock Incentive Plan. On July 24, 2014 our shareholders ratified the 2014 Stock Incentive Plan.

The following table summarizes the pay mix for the executive officers and illustrates the percentage of fixed versus at-risk pay over the last three fiscal years:

Name and Principal Position	Fiscal Year	Base Salary (%)	Cash Bonus (STIP) (%)	Stock Options (LTIP) (%)	At-Risk Pay (STIP + LTIP) (%)	All Other Compensation (%)
Amir Adnani,	2014	61%	39%	0%	39%	0%
President and Chief Executive Officer	2013	67%	33%	0%	33%	0%
	2012	46%	32%	22%	54%	0%
Harry Anthony,	2014	27%	10%	0%	10%	62%
Former Chief Operating Officer [(1)]	2013	63%	37%	0%	37%	0%
	2012	42%	34%	24%	58%	0%
Mark Katsumata,	2014	76%	24%	0%	24%	0%
Secretary, Treasurer and Chief Financial Officer[(2)]	2013	82%	18%	0%	18%	0%
	2012	51%	16%	33%	49%	0%

Notes:

(1) Mr. Anthony resigned as Chief Operating Officer and was appointed as Senior Advisor of our Company effective September 27, 2013. Mr. Anthony s compensation as Senior Advisor is reflected in the column entitled All Other Compensation .

(2) Mr. Katsumata was appointed Chief Financial Officer, Secretary and Treasurer of our Company effective January 5, 2011.

Non-Cash Compensation

The Company provides standard health benefits to its executives, including medical, dental and disability insurance.

The Company s non-cash compensation is intended to provide a similar level of benefits as those provided by comparable companies within our industry.

Review of Senior Executive Officer Performance

On an annual basis, the Compensation Committee reviews the overall compensation package for our senior executive officers and evaluates executive officer performance relative to corporate goals. The Compensation Committee has the opportunity to meet with the senior executive officers at various times throughout the year, which assists the

Compensation Committee in forming its own assessment of each individual s performance. The executive officers are not present during voting or deliberations of the Compensation Committee relating to executive compensation.

The compensation for the senior executive officers is based on a calendar year as determined by the Compensation Committee, which considers compensation paid to other executive officers of other companies within the industry, the executive s performance in meeting goals, the complexity of the management position and the experience of the individual. When reviewing the executive s performance for the 2013 calendar year, the Compensation Committee took into consideration both individual and corporate performance levels. The executive performance targets for the 2013 calendar year were as follows:

- secure adequate financing within a challenging post-Fukushima environment;
- establish a strategic plan to adapt to the existing uranium market;
- expansion of the resource base;
- advancement of the Company s projects; and
- corporate performance.

The following milestones were attained by the Company as a result of the success of the executives meeting their performance targets:

- completion of a $20,000,000 senior secured credit facility for an initial funding of $10,000,000 with an additional funding of $10,000,000 available for drawdown as at December 31, 2013;

- completion of a public offer and sale of 3,380,954 units of the Company at a price of $2.10 per unit for gross proceeds of $7.1 million, each unit comprised of one share of the Company and 0.55 of one share purchase warrant (each whole warrant exercisable at a price of $2.60 for a three year period to purchase one additional share for a total 1,859,524 shares of the Company);
- implementation of a strategic plan to align our operations to adapt to the existing uranium market in a challenging post-Fukushima environment, resulting in uranium extraction at PAA-1, 2 and 3 of the Palangana Mine operating at a reduced pace, including the deferral of any further pre-extraction expenditures, to maintain operational readiness to ramp-up output in anticipation of a recovery in uranium prices;
- advancement of permitting at other PAAs of the Palangana Mine;
- advancement of the construction of the satellite facility and wellfield for the Goliad Project;
- advancement of permitting and completion of exploration activities including drilling at the Burke Hollow Project;
- completion of a Technical Report dated February 21, 2013 for the Slick Rock Project prepared in accordance with the provisions of NI 43-101 which established the existence of mineralized materials; and
- completion of a Technical Report dated February 27, 2013 for the Burke Hollow Project prepared in accordance with the provisions of NI 43-101 which established the existence of mineralized materials.

Executive and Director Compensation

Alan Lindsay, Chairman of the Board

Alan Lindsay serves as the Company s Chairman and a director and is retained accordingly on a yearly basis. Mr. Lindsay is compensated on a monthly basis at a rate of $6,000 per month.

The Company s compensation policy for Mr. Lindsay is based on comparisons of other companies remunerations made to their Chairmen and the value of Mr. Lindsay s expertise to the Company.

Amir Adnani, President and Chief Executive Officer

Amir Adnani is retained according to an executive services agreement with our Company, and his compensation for serving as an executive officer of the Company is disclosed below in the Summary Compensation Table .

The Company s compensation policy for Mr. Adnani is based on comparisons of other companies remunerations made to their Presidents and Chief Executive Officers and the value of Mr. Adnani s expertise to the Company.

As shown in the Director Compensation Table below, Mr. Adnani does not receive additional compensation in connection with his service as a director of the Company.

Harry Anthony, former Chief Operating Officer

Harry Anthony resigned as Chief Operating Officer and was appointed as Senior Advisor of our Company effective September 27, 2013. Prior to his resignation, Mr. Anthony was retained according to an executive services agreement with our Company, and his compensation for serving as Chief Operating Officer of the Company is disclosed below in the Summary Compensation Table .

The Company s compensation policy for Mr. Anthony was based on comparisons of other companies remunerations made to their Chief Operating Officers and the value of Mr. Anthony s expertise to the Company. As shown in the Director Compensation Table below, Mr. Anthony did not receive additional compensation in connection with his service as a director of the Company.

Mark Katsumata, Secretary, Treasurer and Chief Financial Officer

Mark Katsumata is retained according to an executive services agreement with our Company, and his compensation for serving as Chief Financial Officer of the Company is disclosed below in the Summary Compensation Table .

The Company s compensation policy for Mr. Katsumata is based on comparisons of other companies remunerations made to their Chief Financial Officers and the value of Mr. Katsumata s expertise to the Company.

Pension Benefits

None.

Non-Qualified Deferred Compensation

None.

Retirement, Resignation or Termination Plans

Officers with contracts for services have notice requirements which permit pay in lieu of notice.

Each of the Company s executive services agreements with Mr. Adnani, Mr. Anthony (prior to his resignation) and Mr. Katsumata contemplates the case of termination due to various provisions whereby the named executive officers will receive severance payments, as described below under the heading Executive Services Agreements .

Compensation and Risk

We do not believe that our compensation policies and practices are reasonably likely to have a material adverse effect on us. We have taken steps to ensure our executive compensation program does not incentivize risk outside the Company s risk appetite. Some of the key ways that we currently manage compensation risk are as follows:

- appointed a Compensation Committee which is composed entirely of independent directors to oversee the executive compensation program;
- retained an independent compensation advisor to provide advice on the structure and levels of compensation for our executive officers and directors;
- the use of deferred equity compensation in the form of stock options to encourage a focus on long-term corporate performance versus short-term results;
- disclosure of executive compensation to stakeholders;
- established a clawback policy applicable to all cash and equity incentive compensation; and
- adoption of say-on-pay.

Clawback Policy

We adopted a clawback policy as an additional safeguard to mitigate compensation risks. The clawback policy applies to all cash and equity incentive compensation and provides that the Board of Directors may seek reimbursement for compensation awarded to an executive in situations where (a) payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of the Company s financial statements filed with any securities regulatory authority, (b) the executive engaged in gross negligence, intentional misconduct or fraud that caused, or partially caused, the need for a restatement, or (c) the incentive compensation would have been lower had the financial results been properly reported.

Consideration of Most Recent Shareholder Advisory Vote on Executive Compensation

As required by Section 14A of the Exchange Act, at our 2014 Annual Meeting of Stockholders our stockholders voted, in an advisory manner, on a proposal to approve our named executive officer compensation. This was our most recent stockholder advisory vote to approve named executive officer compensation. The proposal was approved by our stockholders, receiving approximately 90.06% of the vote of the stockholders present in person or represented by

proxy and voting at the meeting. We considered this vote to be a ratification of our current executive compensation policies and decisions and, therefore, did not make any significant changes to our executive compensation policies and decisions based on the vote.

Compensation Committee Interlocks and Insider Participation

No person who served as a member of our Compensation Committee during our fiscal year ended July 31, 2014, was a current or former officer or employee of our Company or engaged in certain transactions with our Company required to be disclosed by regulations of the SEC. Additionally, during our fiscal year ended July 31, 2014, there were no Compensation Committee interlocks, which generally means that no executive officer of our Company served: (a) as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity which had an executive officer serving as a member of our Company s Compensation Committee; (b) as a director of another entity which had an executive officer serving as a member of our Company s Compensation Committee; or (c) as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity which had an executive officer serving as a director of our Company.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing compensation discussion and analysis with Company management. Based on that review and those discussions, the Compensation Committee recommended to the Board of Directors that the compensation discussion and analysis be included in this Annual Report. This report is provided by the following independent directors, who comprise the Compensation Committee:

By: Vincent Della Volpe, Ivan Obolensky and David Kong.

Summary Compensation Table

The following table sets forth the compensation paid to our Chief Executive Officer, Chief Financial Officer and those executive officers that earned in excess of $100,000 during the years ended July 31, 2014, 2013 and 2012 (each a **Named Executive Officer**):