

URANIUM ENERGY CORP
Form DEF 14A
June 24, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

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Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to Section 240.14a-12

URANIUM ENERGY CORP.

(Name of Registrant as Specified In Its Charter)

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- No fee required.
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1) Amount previously paid:

2) Form, Schedule or Registration Statement No.

3) Filing Party:

4) Date Filed:

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URANIUM ENERGY CORP.

9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on July 23, 2009

Dear Stockholder:

The annual meeting of stockholders (the "**Annual Meeting**") of Uranium Energy Corp. (the "**Company**") will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, on July 23, 2009 at 12:00 p.m. (Vancouver time). At the Annual Meeting stockholders will be asked to:

1. elect Amir Adnani, Alan P. Lindsay, Erik Essiger, Harry L. Anthony, Ivan Obolensky, Vincent Della Volpe and Mark A. Katsumata to our Board of Directors;

2. ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending July 31, 2009;
3. approve the Company's 2009 Stock Incentive Plan; and
4. transact any other business properly brought before the Annual Meeting or any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this notice. **Only stockholders of record of the Company's common stock at the close of business on June 5, 2009, are entitled to notice of, and to vote at, the Annual Meeting or any adjournment thereof.**

It is important that your shares be represented and voted at the Annual Meeting. If you are the registered holder of the Company's common stock, you can vote your shares by completing and returning the enclosed proxy card, even if you plan to attend the Annual Meeting. You may vote your shares of common stock in person even if you previously returned a proxy card. Please note, however, that if your shares of common stock are held of record by a broker, bank or other nominee and you wish to vote in person at the Annual Meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee. Please carefully review the instructions on the proxy card or the information forwarded by your broker, bank or other nominee regarding voting instructions.

If you are planning to attend the Annual Meeting in person, you will be asked to register before entering the Annual Meeting. All attendees will be required to present government-issued photo identification (e.g., driver's license or passport) to enter the Annual Meeting. If you are a stockholder of record, your ownership of the Company's common stock will be verified against the list of stockholders of record as of June 5, 2009, prior to being admitted to the Annual Meeting. If you are not a stockholder of record and hold your shares of common stock in "street name" (that is, your shares of common stock are held in a brokerage account or by a bank or other nominee), you must also provide proof of beneficial ownership as of June 5, 2009, such as your most recent account statement prior to June 5, 2009, and a copy of the voting instruction card provided by your broker, bank or nominee, or similar evidence of ownership.

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By Order of the Board of Directors of Uranium Energy Corp.

/s/ Amir Adnani

Amir Adnani, President and CEO

Dated June 24, 2009.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on July 23, 2009.
The Proxy Statement, Annual Report on Form 8-K and Form of Proxy are available at

<https://proxyvote.uraniumenergy.com>.

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URANIUM ENERGY CORP.

9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750

PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS
To be held on July 23, 2009

THE ANNUAL MEETING

General

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "**Board of Directors**") of Uranium Energy Corp. ("**we**", "**us**", "**our**" or the "**Company**") for use in connection with our annual meeting of our stockholders (the "**Annual Meeting**") to be held on July 23, 2009, at 12:00 p.m. (Vancouver time) at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, Canada, or at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

This Proxy Statement, the related Notice of Meeting, the enclosed form of Proxy and our Annual Report on Form 10-K for the fiscal period ended July 31, 2008, are expected to be mailed to our stockholders on or about June 24, 2009.

Our principal executive office is located at 9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750.

Manner of Solicitation and Expenses

Proxies will be solicited by us initially by mail. Further solicitation may be made by our directors, officers or regular employees, by telephone, facsimile or other acceptable manner. We will bear the expenses incurred in connection with the solicitation of proxies for the Annual Meeting. Upon request, we will also reimburse brokers, dealers, banks or similar entities acting as nominees for their reasonable expenses incurred in forwarding copies of the proxy materials to the beneficial owners of the shares of our common stock as of the record date.

Record Date and Voting Shares

Our Board of Directors has fixed the close of business on June 5, 2009, as the record date (the "**Record Date**") for the determination of stockholders entitled to notice of and to vote at the Annual Meeting. As of the Record Date there were approximately 46,634,894 shares of our common stock issued, outstanding and entitled to vote at the Annual Meeting. Holders of common stock are entitled to one vote at the Annual Meeting for each share of common stock held of record as of the Record Date. There is no cumulative voting in the election of directors.

Quorum

A quorum is necessary to hold a valid meeting of our stockholders. The required quorum for the transaction of business at the Annual Meeting is one-third of our issued and outstanding shares of common stock as of the Record Date.

In order to be counted for purposes of determining whether a quorum exists at the Annual Meeting, shares must be present at the Annual Meeting either in person or represented by proxy. Shares that will be counted for purposes of determining whether a quorum exists will include:

- shares represented by properly executed proxies for which voting instructions have been given, including proxies which are marked "Abstain" or "Withhold" for any matter;
- shares represented by properly executed proxies for which no voting instruction has been given; and
- broker non-votes.

Broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the broker has not received voting instructions from the beneficial owner and the broker does not have discretionary authority to vote such shares.

Entitlement to Vote

If you are a registered holder of shares of our common stock as of June 5, 2009, the Record Date for the Annual Meeting, you may vote those shares of our common stock in person at the Annual Meeting or by proxy in the manner described below under "Voting of Proxies". If you hold shares of our common stock in "street name" through a broker or other financial institution, you must follow the instructions provided by your broker or other financial institution regarding how to instruct your broker or financial institution in respect of voting your shares.

Voting of Proxies

You can vote the shares that you own of record on the Record Date by either attending the Annual Meeting in person or by filling out and sending in a proxy in respect of the shares that you own. Your execution of a proxy will not affect your right to attend the Annual Meeting and to vote in person.

You may revoke your proxy at any time before it is voted by:

(a)

filing a written notice of revocation of proxy with our corporate secretary at any time before the taking of the vote at the Annual Meeting;

(b)

executing a later-dated proxy and delivering it to our corporate secretary at any time before the taking of the vote at the Annual Meeting; or

(c)

attending at the Annual Meeting, giving affirmative notice that you intend to revoke your proxy and voting in person. Please note that your attendance at the Annual Meeting will not, in and of itself, revoke your proxy.

All shares of common stock represented by properly executed proxies received at or prior to the Annual Meeting that have not been revoked will be voted in accordance with the instructions of the stockholder who has executed the proxy. If no choice is specified in a proxy, the shares represented by the proxy will be voted FOR all matters to be considered at the Annual Meeting as set forth in the accompanying Notice of Meeting. The shares represented by proxy will also be voted for or against such other matters as may properly come before the Annual Meeting in the discretion of the persons named in the proxy as proxyholders. We are currently not aware of any other matters to be presented for action at the Annual Meeting other than those described herein.

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Any written revocation of a proxy or subsequent later-dated proxy should be delivered to the executive offices of the Company, located at 9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750, Attention: Corporate Secretary.

Votes Required

Proposal One - Election of Directors: The affirmative vote of the holders of a plurality of our shares of common stock represented at the Annual Meeting in person or by proxy is required for the election of our directors. This means that the nominees who receive the greatest number of votes for each open seat will be elected. Votes may be cast in favor of the election of directors or withheld. Votes that are withheld and broker non-votes will be counted for the purposes of determining the presence or absence of a quorum, but will have no effect on the election of directors.

Proposal Two - Appointment of Accountants: The affirmative vote of the holders of a majority of our common stock represented at the Annual Meeting in person or by proxy is required for the ratification of the selection of our independent registered public accountants. Stockholders may vote in favor or against the proposal or they may abstain. Abstentions are deemed to be "votes cast" and will have the same effect as a vote against this proposal. Broker non-votes are not deemed to be votes cast and, therefore, will have no effect on the vote with respect to this proposal.

Proposal Three - Approval of 2009 Stock Incentive Plan: The affirmative vote of the holders of a majority of our common stock represented at the Annual Meeting in person or by proxy is required for the approval of the Company's 2009 Stock Incentive Option Plan. Stockholders may vote in favor or against this proposal or they may abstain. Abstentions are deemed to be "votes cast" and will have the same effect as a vote against this proposal. Broker non-votes are not deemed to be votes cast and, therefore, will have no effect on the vote with respect to this proposal.

Stockholder Proposals

No proposals have been received from any stockholder for consideration at the Annual Meeting.

Other Matters

It is not expected that any matters other than those referred to in this proxy statement will be brought before the Annual Meeting. If other matters are properly presented, however, the persons named as proxyholders will vote in accordance with their best judgment on such matters. The grant of a proxy also will confer discretionary authority on the persons named as proxyholders to vote in accordance with their best judgment on matters incident to the conduct of the Annual Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the following persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Annual Meeting, other than elections to office:

- each person who has been one of our directors or executive officers at any time since the beginning of our last fiscal year;
- each nominee for election as one of our directors; or
- any associate of any of the foregoing persons.

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SECURITY OWNERSHIP OF
CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of June 5, 2009, by:

- each person who is known by us to beneficially own more than 5% of our shares of common stock; and
- each executive officer, each director and all of our directors and executive officers as a group.

The number of shares beneficially owned and the related percentages are based on 46,634,894 shares of common stock outstanding as of June 5, 2009.

For the purposes of the information provided below, shares that may be issued upon the exercise or conversion of options, warrants and other rights to acquire shares of our common stock that are exercisable or convertible within 60 days following June 5, 2009, are deemed to be outstanding and beneficially owned by the holder for the purpose of computing the number of shares and percentage ownership of that holder, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

<u>Name and Address of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Beneficial Ownership</u>
(1)	(1)	
Directors and Officers:		
Amir Adnani 320 - 1111 West Hastings Street Vancouver, B.C., Canada, V6E 2J3	2,411,801 ⁽²⁾	5.1%
Alan P. Lindsay 2701 - 1500 Hornby Street Vancouver, B.C., Canada, V6Z 2R1	2,319,787 ⁽³⁾	4.9%
Harry L. Anthony P.O. Box 1328 Kingsville, Texas, U.S.A., 78364	1,622,500 ⁽⁴⁾	3.4%
Pat Obara 2791 West 35 th Avenue Vancouver, B.C., Canada, V6N 2M1	350,000 ⁽⁵⁾	*
	150,000 ⁽⁶⁾	*

Erik Essiger P.O. Box 37491, Dubai, UAE		
Ivan Obolensky 425 East 79 th Street New York, New York, U.S.A., 10021	116,000 ⁽⁷⁾	*
Vincent Della Volpe 32 Evergreen Drive Lincoln Park, New Jersey, U.S.A., 07035	150,000 ⁽⁸⁾	*
Mark A. Katsumata 14447 Blackburn Crescent White Rock, B.C., Canada, V4B 3A3	75,000 ⁽⁹⁾	*
All executive officers and directors as a group (8 persons)	7,195,088 ⁽¹⁰⁾	14.4%

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* Less than one percent.

- Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has for shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding as of the date of this proxy statement. As of June 5, 2009, there were 46,634,894 shares issued and outstanding.
- This figure includes (i) 1,731,301 shares of common stock, (ii) 3,000 shares of common stock held of record by Amir Adnani's wife and (iii) stock options to purchase 677,500 shares of our common stock.
- This figure includes (i) 1,306,287 shares of common stock, (ii) 163,500 shares of common stock held of record by Alan P. Lindsay's wife and (iii) stock options to purchase 850,000 shares of our common stock. Mr. Lindsay is the father-in-law of Amir Adnani.
- This figure includes (i) 772,500 shares of common stock and (ii) stock options to purchase 850,000 shares of our common stock.
- This figure represents stock options to purchase 350,000 shares of our common stock.
- This figure represents stock options to purchase 150,000 shares of our common.
- This figure includes (i) 16,000 shares of common stock and (ii) stock options to purchase 100,000 shares of our common stock.
- This figure represents stock options to purchase 150,000 shares of our common stock.

9. This figure represents stock options to purchase 75,000 shares of our common stock.
10. This figure includes (i) 3,992,588 shares of common stock and (ii) stock options to purchase 3,202,500 shares of our common stock.

We have no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in our control.

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PROPOSAL NUMBER ONE:

ELECTION OF DIRECTORS TO OUR BOARD OF DIRECTORS

Election of Directors

We propose to elect our current directors to the Board of Directors, each to hold office until our next annual meeting or until his successor is elected and qualified.

The persons named in the enclosed form of proxy as proxyholders intend to vote for the election of the nominees listed below as directors unless instructed otherwise, or unless a nominee is unable or unwilling to serve as a director of our Company. Our Board of Directors has no reason to believe that any nominee is unable or unwilling to serve, but if a nominee should determine not to serve, the persons named in the form of proxy as proxyholders will have the discretion and intend to vote for another candidate that would be nominated by our Board of Directors.

The affirmative vote of a plurality of the votes present in person or by proxy at the Annual Meeting and entitled to vote on the election of directors is required for the election of each nominee as a director. Our constating documents do not provide for cumulative voting in the election of directors.

Nominees for Election as Directors

Amir Adnani, Alan P. Lindsay, Harry L. Anthony, Erik Essiger, Ivan Obolensky, Vincent Della Volpe and Mark A. Katsumata, each of whom is a current director, have been nominated for election as directors. It is the intention of the persons named in the accompanying form of proxy as proxyholders to vote proxies for the election of each of these individuals as a director and each of the nominees has consented to being named in this proxy statement and to serve as a director, if elected.

Directors and Executive Officers

Our current directors and executive officers and their respective ages as of June 5, 2009, are as follows:

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Amir Adnani	31	President, Chief Executive Officer, Principal Executive Officer and a director

Alan P. Lindsay	60	Chairman and a director
Harry L. Anthony	61	Chief Operating Officer and a director
Pat Obara	53	Secretary, Treasurer, Chief Financial Officer and Principal Accounting Officer
Ivan Obolensky	83	Director
Erik Essiger	43	Director
Vincent Della Volpe	66	Director
Mark A. Katsumata	43	Director

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

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Alan P. Lindsay. Mr. Lindsay co-founded Uranium Energy Corp., and has served as chairman of the Company since April 2003. Mr. Lindsay was the founder of AZCO Mining and served as chairman, president and CEO of AZCO from 1992 to 2000. The company was listed on the Toronto and American Stock Exchanges. During his tenure at AZCO, the Company sold the Sanchez copper deposit to Phelps Dodge for \$55 million and established a joint venture with Phelps Dodge on the Piedras Verdes copper deposit with 2.1 billion pounds of copper reserves. Mr. Lindsay also co-founded Anatolia Minerals Development and New Oroperu Resources, two publicly traded companies with significant gold discoveries. Mr. Lindsay co-founded MIV Therapeutics Inc. and from 2000 to the present, he has been the chairman and also served as president and CEO until January 2008. MIV Therapeutics is a publicly-listed biomedical company awarded the prestigious Frost & Sullivan 2005 and 2008 Award for Technology Innovation in the Field of Medical Coatings and was appointed to the Fortune 500 Top 100 Leading Nano Technology Companies. Since December 2005, Mr. Lindsay has served as a director of TapImmune Inc., a U.S. reporting company. Mr. Lindsay is also a director of Strategic American Oil Corporation, a company engaged in oil and gas exploration and development that became a U.S. reporting company in July 2008. Mr. Lindsay has extensive experience and expertise in the mining and biomedical fields. He was previously responsible for building a significant business and marketing organization in Vancouver, BC, for Manulife Financial, a major international financial services corporation.

Amir Adnani. Mr. Amir Adnani has been our President, Chief Executive Officer, Principal Executive Officer and a director since January 24, 2005. Mr. Adnani is an entrepreneur with an extensive background in business development and marketing. In September of 2004 he founded and was the sole shareholder, a director and President of, Blender Media Inc., a Vancouver based company that provides strategic marketing and financial communications services to public companies and investors in mineral exploration, mining, and energy sectors. Effective October 1, 2006, Mr. Adnani is no longer a director, officer or shareholder of Blender Media Inc. In June of 2001 Mr. Adnani co-founded, and from June 2001 to September 2004, was a director and officer of Fort Sun Investments Inc, a strategic marketing and financial communications services company for public companies. Mr. Adnani holds a Bachelor of Science degree from the University of British Columbia. Mr. Adnani is not a director or officer of any other U.S. reporting company.

Harry L. Anthony. Mr. Harry L. Anthony has been our Chief Operating Officer and Director since February, 2006. Mr. Anthony has over thirty years of experience in the uranium mining industry. From approximately 1997 to present, Mr. Anthony has been a consultant through Anthony Engineering Services for several major uranium

companies and international agencies, which duties generally include project evaluation, operations "trouble shooter" and technical and financial expert. From approximately 1990 through 1997, Mr. Anthony was a senior vice-president of Uranium Resources, Inc., where he managed all facets of operations and technical support to achieve production goals, drilling, ion exchange, reverse osmosis, software development and equipment design. His duties also included oversight of construction, technical aspects, and daily operations of plants and wellfields, budget planning and forecasting, property evaluations and reserve estimations. Mr. Anthony also previously served as the vice-president of engineering/engineering manager of Uranium Resources, Inc., and a project superintendent and project engineer for Union Carbide Corp. Mr. Anthony was on the board of directors of Uranium Resources, Inc. from 1984 through 1994. He is the author of several publications and the recipient of the awards "Distinguished Member of the South Texas Mineral Section of AIME - 1987" and "1999 Outstanding Citizen of the Year - Kingsville Chamber of Commerce". Mr. Anthony received an M.S. in Engineering Mechanics in 1973 and a B.S. in Engineering Mechanics in 1969 from Pennsylvania State University. Mr. Anthony is not a director or officer of any other U.S. reporting company.

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Pat Obara. Mr. Obara became our Secretary, Treasurer, Chief Financial Officer and Principal Accounting Officer on August 23, 2006. During the past five years Mr. Obara has worked as a consultant to several private and publicly listed companies providing various consulting services in the areas of corporate finance and administration. From March of 2003 to present, Mr. Obara has provided various administrative consulting services to private companies involved in business activities in Asia and North America. Prior to April of 2004 Mr. Obara served as the Chief Financial Officer and a director of two public companies listed on the TSX Venture Exchange. Mr. Obara was involved in the restructuring, organizing and management of these early stage companies which were involved in the resource and technology sectors. Mr. Obara is not a director or officer of any other U.S. reporting company.

Erik Essiger. Mr. Essiger became a director of our company on August 23, 2006. Mr. Essiger has twenty years experience in corporate finance, strategy development and restructuring projects across a wide variety of sectors, in particular industrial, business services, retail and consumer goods. Mr. Essiger currently serves as Chairman and Chief Executive Officer of The Emirates Capital Limited, an investment banking company based in Dubai, which he founded in **January 2008**. In December 2006, Mr. Essiger established SCP Swiss Capital-Partners AG, a corporate finance boutique in Switzerland, which has been integrated into Emirates Capital. In addition, during the past five years, Mr. Essiger has been: the Managing Director and the founder of Precisetech GmbH, a corporate finance advisory company focused on international M&A transactions (from October 2004 to December 2006); a member of the Supervisory Board of Corix Capital AG (from December 2003 to December 2006; and the Senior Manager, Transaction Services Strategy Group, with PricewaterhouseCoopers AG, heading up the commercial and due diligence practice of that group in Germany which provided services mainly to private equity clients of the firm (from April 2003 to September 2004).

Ivan Obolensky. Mr. Obolensky has over 40 years of experience in the investment banking business as a financial analyst, with specific expertise in the defense aerospace, oil and gas, nuclear power, metals and minerals, publishing and high technology industries. He has been an executive of several investment banks, including Sterling Grace & Co., Jesup, Josephthal & Co., Dominick and Dominick, Inc., Middendorf Colgate and CB Richard Ellis Mosley Hallgarten. Since November 1990 to date, Mr. Obolensky has been Vice-President of Shields & Company, an Investment Bank and Member of the New York Stock Exchange. Mr. Obolensky is a Registered Investment Advisor and a member of the New York Society of Security Analysts. He has made frequent appearances as a guest on CNBC, CNNfn, and Bloomberg TV. Mr. Obolensky is also a member of various foundations and philanthropic organizations, and serves as Chairman and CEO of the Soldiers' Sailors' Marines' and Airmen's Club in New York. He is a graduate of Yale University and a retired Lieutenant (Junior Grade) in the U.S. Naval Air Corps.

Vincent Della Volpe. 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. Since September 2006, Mr. Della Volpe has served as a director of Gold Canyon Resources, Inc., a junior natural resources company incorporated in British Columbia, Canada, that is listed on the TSX Venture Exchange. Mr. Della Volpe has been retired since March 2003. During the prior 11 years he was employed by the YMCA Retirement Fund. In addition to his position as director of the Company, he has been a director of Gold Canyon Resources since September 2006.

Mark Katsumata. Mr. Katsumata became a director of our company and the Chairman of our Audit Committee on May 11, 2009. Mr. Katsumata has served as a Chief Financial Officer and Vice President Finance of several TSX and TSX Venture Exchange companies. During the past five years, Mr. Katsumata was the Chief Financial Officer of Candente Resource Corp., a TSX listed base and precious metals explorer, and the Chief Financial Officer/Vice President, Finance of each of Denison Mines Corp., a TSX listed uranium producer and explorer, and Fortress Metals Corp., a TSX Venture Exchange listed precious metals explorer. Mr. Katsumata is a Certified General Accountant with an extensive background in United States and Canadian accounting and regulatory procedures, specifically related to mining, and has been a member in good standing of the Certified General Accountants' Association of British Columbia and Canada since 1997.

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Term of Office

Our directors hold office until the next annual meeting of the stockholders or until the election and qualification of their successors. Officers are appointed by and serve at the discretion of the Board of Directors.

Family Relationships

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

Meetings of Directors During the Last Fiscal Year

The Company's Board of Directors held one meeting during the fiscal period ended July 31, 2008, but acted by way of consent resolution a number of times. Each director attended at least 75% of the aggregate of: (i) the total number of board meetings held while he was a director; and (ii) the total number of meetings held by committees on which he served during the periods that he served.

The Company does not have a formal policy with respect to director attendance at annual stockholders' meetings, however, all directors are encouraged to attend.

Board Independence

The Board of Directors has determined that Erik Essiger, Ivan Obolensky, Vincent Della Volpe and Mark A. Katsumata each qualify as independent directors under the listing standards of the NYSE AMEX Equities stock exchange (the "NYSE AMEX").

Committees of the Board of Directors

Our Board of Directors currently has three board committees: an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. These committees operate pursuant to charters adopted in respect of each committee; copies of which are posted on the Company's website at www.uranium.energy.com.

The following sets forth information relating to the Company's board committees:

Audit Committee

Our Audit Committee has been structured to comply with Rule 10A-3 under the United States *Securities Exchange Act of 1934*, as amended. Our Audit Committee is comprised of Ivan Obolensky, Vincent Della Volpe and Mark A. Katsumata, all of whom qualify as independent directors under NYSE AMEX rules. Mr. Katsumata is the Chairman of the Audit Committee and our Board of Directors has determined that he satisfies the criteria for an audit committee financial expert under applicable United States Securities and Exchange Commission ("**SEC**") rules. Each Audit Committee member is able to read and understand fundamental financial statements, including the Company's consolidated balance sheets, consolidated statements of operations and consolidated statements of cash flows.

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The Audit Committee meets with management and our external auditors to review matters affecting the Company's financial reporting, the system of internal accounting and financial controls and procedures and audit procedures and audit plans. The Audit Committee reviews significant financial risks, is involved in the appointment of senior financial executives and annually reviews our insurance coverage and any off balance sheet transactions.

The Audit Committee is mandated to monitor our Company's audit and the preparation of financial statements and to review and recommend to the Board of Directors all financial disclosure contained in our company's public documents. The Audit Committee is also mandated to appoint external auditors, monitor their qualifications and independence and determine the appropriate level of their remuneration. The external auditors report directly to the Audit Committee and to the Board of Directors. The Audit Committee and Board of Directors each have the authority to terminate the external auditor's engagement (subject to confirmation by our stockholders). The Audit Committee also approves in advance any permitted services to be provided by the external auditors which are not related to the audit.

We will provide appropriate funding as determined by the Audit Committee to permit the Audit Committee to perform its duties and to compensate its advisors. The Audit Committee, at its discretion, has the authority to initiate special investigations and, if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Audit Committee to fulfill its duties.

The Audit Committee discharged its mandate in respect of the financial period ended July 31, 2008, including the review and recommendation to the board of all financial disclosure contained in our company's public documents. The Audit Committee held four meetings during the period ended July 31, 2008, and also acted through the adoption of written consent resolutions as permitted under the *Nevada Revised Statutes* and our Company's Bylaws.

Report of the Audit Committee

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal period ended July 31, 2008, with the Company's management. In addition, the Audit Committee has discussed with the Company's independent registered public accounting firm, Ernst & Young LLP, the matters required by Statement on Auditing Standards No. 61, *Communication with Audit Committees*. The Audit Committee has received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young LLP's communications with the audit committee concerning independence, and has discussed with Ernst & Young LLP their independence. The Audit Committee considered the compatibility of non-audit services with the auditors' independence. Based on the discussions and reviews referenced above, the Audit Committee recommended to the Board of Directors that the audited financial statements for the fiscal period ended July 31, 2008, be included in the Company's Annual Report on Form 10-K for the period ended July 31, 2008. The Audit Committee has selected Ernst & Young LLP to serve as the Company's Independent Registered Public

Accounting Firm for fiscal 2009.

By: Mark A. Katsumata, Ivan Obolensky and Vincent Della Volpe.

Compensation Committee

The Compensation Committee is comprised of Erik Essiger, Ivan Obolensky and Vincent Della Volpe, all of whom qualify as independent directors under NYSE AMEX rules. Mr. Essiger is the Chairman of the Compensation Committee.

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The Compensation Committee is responsible for considering and authorizing terms of employment and compensation of directors, executive officers and employees and providing advice on compensation structures in the various jurisdictions in which our Company operates. In addition, the Compensation Committee reviews and oversees our overall salary objectives and any significant modifications made to employee benefit plans, including those applicable to directors and executive officers, and proposes any awards of stock options and incentive and deferred compensation benefits.

The Compensation Committee held one meeting during the fiscal period ended July 31, 2008.

Compensation Committee Interlocks and Insider Participation

During the period ended July 31, 2008, none of the Company's executive officers served as a member of a compensation committee or board of directors of any other entity, which had an executive officer serving as a member of our Board of Directors or Compensation Committee.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of Erik Essiger, Ivan Obolensky and Vincent Della Volpe, all of whom qualify as independent directors under NYSE AMEX rules. Mr. Essiger is the Chairman of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee is responsible for developing our 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. The Committee is responsible for the development and implementation of corporate communications to ensure the integrity of our disclosure controls and procedures, internal control over financial reporting and management information systems. The purview of the Corporate Governance and Nominating Committee also includes the administration of our Board of Directors' relationship with our management.

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 Committee assesses all nominees using generally the same criteria. In nominating candidates, the 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 considers nominees recommended by stockholders if such recommendations are made in writing to the 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., Attn: Corporate

Secretary, at 9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750.

The Corporate Governance and Nominating Committee held one meeting during the fiscal period ended July 31, 2008.

Stockholder Communications

Stockholders may contact an individual director, the Board of Directors as a group or a specified board committee or group, including any non-employee directors as a group, either by: (a) writing to Uranium Energy Corp., at 9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750, Attn: Corporate Secretary; or (b) sending an e-mail message to info@uraniumenergy.com.

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Our Corporate Secretary will conduct an initial review of all such stockholder communications and will forward the communications to the persons to whom it is addressed, or if no addressee is specified, to the appropriate committee of the Board of Directors or the entire Board of Directors depending on the nature of the communication. Such communications will be assessed by the recipients as soon as reasonably practicable taking into consideration the nature of the communication and whether expedited review is appropriate.

Code of Business Conduct and Ethics Policy

We have adopted a Code of Business Conduct and Ethics Policy that applies to all directors and officers. The code 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. As adopted, the Code of Business Conduct and Ethics Policy sets forth written standards that are designed to deter wrongdoing and to promote, among other things:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. compliance with applicable governmental laws, rules and regulations;
3. the prompt internal reporting of violations of the code to the appropriate person or persons identified in the code; and
4. accountability for adherence to the code.

The Company will provide a copy of the Code of Business Conduct and Ethics Policy to any person without charge, upon request. Requests can be sent to Uranium Energy Corp, located at 9801 Anderson Mill Road, Suite 230, Austin, Texas, U.S.A., 78750.

Involvement in Certain Legal Proceedings

During the past five years, none of our directors, officers or promoters has been involved in any of the following:

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:

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- 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;
 4. such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (f)(3)(i) of this section, or to be associated with persons engaged in any such activity;
 5. such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated; or
 6. such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated.

There are currently no legal proceedings to which any of our directors, officers or affiliates, or any person that owns more than 5% of our outstanding shares, or any associate of any of them, is a party adverse to us or any of our subsidiaries or has a material interest adverse to us or any of our subsidiaries.

Certain Relationships and Related Transactions

Except for the transactions described below, since the beginning of our last fiscal year, none of our directors, nominees, officers or principal stockholders, nor any immediate family member of the foregoing, has or have any material interest, direct or indirect, in any transaction, or in any proposed transaction, in which our Company was or is to be a participant and in which the amount involved exceeds \$120,000.

The Audit Committee of our Board of Directors is responsible for reviewing, approving or ratifying any such related party transactions in accordance with the charter adopted in respect of the Audit Committee as described above.

Related Party Transactions

During our fiscal year ended July 31, 2008, we had transactions with certain officers and directors as follows:

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- a. we incurred \$791,695 in management fees and bonuses (\$276,990 to Amir Adnani, \$269,927 to Harry L. Anthony, \$142,453 to Pat Obara, \$66,420 to Alan P. Lindsay, \$15,692 to Erik Essiger, \$10,167 to Ivan Obolensky and \$7,025 to Vincent Della Volpe) and recorded \$2,019,250 in stock based compensation for the fair value of options granted to directors and officers during the period (\$407,500 to Amir Adnani, \$407,500 to Harry L. Anthony, \$407,500 to Alan P. Lindsay, \$348,500 to Vincent Della Volpe, \$203,750 to Pat Obara, \$163,000 to Ivan Obolensky and \$81,500 to Erik Essiger);
- b. we incurred \$10,157 in general and administrative costs to be reimbursed by a companies controlled by a direct family members of a current officer (Amir Adnani) and a current director (Alan P. Lindsay); and
- c. we incurred \$80,225 in consulting fees and \$106,761 in general and administrative costs, including \$38,796 in rental charges and \$30,089 in media, marketing and website development fees, paid to companies controlled by a direct family member of a current officer (Amir Adnani).

During the nine months ended April 30, 2009, we had transactions with certain officers and directors as follows:

- a. we incurred \$594,819 in management fees paid to directors and officers during the period (\$187,300 to Amir Adnani, \$172,694 to Harry L. Anthony, \$105,414 to Pat Obara, \$49,803 to Alan P. Lindsay, \$32,108 to Erik Essiger, \$23,500 to Ivan Obolensky and \$24,000 to Vincent Della Volpe), of which \$21,818 is outstanding as at April 30, 2009 and reported as due to related parties;
- b. we incurred \$170,250 in stock based compensation for the incremental fair value of options granted to directors and officers that were repriced during the period (\$44,750 to Amir Adnani, \$44,750 to Harry L. Anthony, \$20,000 to Alan P. Lindsay, \$15,000 to Vincent Della Volpe, \$26,750 to Pat Obara, \$8,000 to Ivan Obolensky and \$11,000 to Erik Essiger); and
- c. we incurred \$81,118 in general and administrative costs paid to companies controlled by a direct family member of a current officer (Amir Adnani).

On May 19, 2009, we entered into a consulting agreement with The Emirates Capital Limited (the "Consultant"), a company that is controlled and managed by Erik Essiger, to provide corporate development and investor communications related services to our Company. In consideration for the services to be provided under the agreement, the Consultant shall be compensated in the form of an aggregate of up to 300,000 shares of our Company's common stock. By its terms, this agreement will not come into effect unless and until NYSE Amex Equities approves the compensation terms under the agreement.

All related party transactions involving provision of services or tangible assets were recorded at the exchange amount, which is the value established and agreed to by the related parties reflecting arms length consideration payable for similar services or transfers.

Amir Adnani and Alan P. Lindsay are the founders, and may be considered promoters, of the Company. Messrs Adnani and Lindsay were issued an aggregate of 1,575,000 shares of our common stock at a price of \$0.0013 per share for total proceeds of \$2,100 at the time of the organization of the Company. Neither of Messrs. Adnani nor Lindsay have received anything of value from the Company in their capacities as promoters of the Company.

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Amounts owing to related parties are unsecured, non-interest bearing and without specific terms of repayment.

Conflicts of Interest

To our knowledge, and other than as disclosed in this proxy statement, there are currently no known existing or potential conflicts of interest among us, our promoters, directors and officers, or other members of management, or any proposed director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the United States *Securities Exchange Act of 1934*, as amended, requires our executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file initial reports of ownership and reports of changes in ownership of our common stock and our other equity securities with the SEC. Based on our review of the reports furnished to us by our officers, directors and greater than ten percent stockholders, we believe that all such reports were timely filed during the fiscal year ended July 31, 2008, except as follows:

<u>Name</u>	<u>Number of late forms</u>	<u>Number of transactions not reported on a timely basis</u>
Amir Adnani	1	1
Alan P. Lindsay	1	1
Harry L. Anthony	1	1
Pat Obara	1	1
Ivan Obolensky	1	1
Erik Essiger	1	1
Vincent Della Volpe	1	1
Passport Management LLC	5	63

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

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

The Compensation Committee's compensation objective is designed to attract and retain the best available talent while efficiently utilizing available resources. The 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.

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In determining the compensation for Amir Adnani, Harry L. Anthony and Pat Obara, the Compensation Committee considered compensation paid to other executive officers of other companies within the industry, the executive's performance in meeting goals, and the complexity of the management position and the experience of the person. Of the amount of the compensation paid to the executive officer, the majority of the compensation was in the form of options. The number of options granted was determined in large part due to the financial condition of the Company which currently has no revenues. The Compensation Committee did not have a specific formula to determine the amount of the executive compensation and what portion of such compensation would be in the form of cash and equity securities. Therefore, the determination of an executive salary including the amount of cash and equity securities may be considered arbitrary taking into account the foregoing factors.

Similarly, directors receive cash compensation for their service as such, as well as options. The number of options granted to each director is based on the experience of the director, time spent on Company matters and the compensation paid to other directors of companies in the industry.

Compensation Committee Report

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

By: Erik Essiger, Ivan Obolensky and Vincent Della Volpe.

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 year ended July 31, 2008 (the "**Named Executive Officers**"):

(1) For the seven month period ended July 31, 2007.

(2) These amounts represent fees paid by us to the Named Executive Officers during the past year pursuant to various employment and consulting services agreements, as between us and the Named Executive Officers, which are more particularly described below.

(3) These amounts represent the fair value of these options at the date of grant which was estimated using the Black-Scholes option pricing model.

(4) The Company did not record any non-equity incentive compensation plan expense, non-qualified deferred compensation expense or other compensation expense for the Named Executive Officers.

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The following table sets forth the compensation paid to persons who were the Named Executive Officers during 2006:

(1) These amounts represent fees paid by the Company to the Named Executive Officers during the past year pursuant to various employment and consulting services agreements, as between the Company and the Named Executive Officers, which are more particularly described in this registration statement and, specifically, under the matter captioned "Employment and Consulting Agreements" hereinbelow.

(2) This amount represents a discretionary bonus which was accrued by the Company and authorized to be paid to Amir Adnani during the past fiscal year by the Company's Compensation Committee (which was paid in January of 2007) under the terms of Mr. Adnani's existing Executive Services Agreement with the Company which is more particularly described under the matter captioned "Employment and Consulting Agreements" hereinbelow.

(3) These amounts represent the deemed value at the date of issuance of 750,000 bonus shares which were issued by the Company to each of the Named Executive Officers during the 2005 fiscal year; the expense of which was deferred by the Company and amortized over the 2006 fiscal year.

(4) These amounts represent the fair value of these options at the date of grant which was estimated using the Black-Scholes option pricing model.

Stock Options/SAR Grants

We granted options to purchase shares of our common stock to the Named Executive Officers in the fiscal year ended July 31, 2008, as follows:

Name	Number of Securities Underlying Options	Exercise Price	Grant Date Fair Value of Option
Amir Adnani, President and CEO	250,000	\$2.50	\$407,500
Harry L. Anthony, COO	250,000	\$2.50	407,500
Pat Obara, Secretary, Treasurer and CFO	125,000	\$2.50	203,750

No options were exercised by the Named Executive Officers in the fiscal year ended July 31, 2008.

The following table sets forth information as at July 31, 2008, relating to options that have been granted to the Named Executive Officers:

- (1) There are no outstanding stock awards for the Named Executive Officers.

Directors Compensation Table

The following table sets forth information relating to compensation paid to our directors in the year ended July 31, 2008:

- (1) Alan P. Lindsay received \$6,000 per month through July 31, 2008, for the provision of various management consulting services provided by Mr. Lindsay to us on a monthly basis and from time to time.
- (2) This amount represents the fair value of options at the date of grant estimated using the Black-Scholes option pricing model.

The following table sets forth information relating to compensation paid to our directors in the seven month period ended July 31, 2007:

- (1) Alan P. Lindsay received \$3,000 per month through March 31, 2007, for the provision of various management consulting services provided by Mr. Lindsay to us on a monthly basis and from time to time.
- (2) This amount represents the fair value of options at the date of grant estimated using the Black-Scholes option pricing model.

Employment and Consulting Agreements

Anthony Employment Agreement

On February 15, 2006, our Board of Directors authorized and approved the execution of an employment agreement between us and Harry L. Anthony (the "**Anthony Employment Agreement**"). On July 1, 2006, our Board of Directors approved an amendment to the Anthony Employment Agreement extending the initial term thereunder to July 1, 2008. Pursuant to the terms and provisions of the Anthony Employment Agreement, as amended: (i) Mr. Anthony shall provide duties to us commensurate with his executive position as our Chief Operating Officer and he will also become a member of our Board of Directors; (ii) we shall pay to Mr. Anthony a monthly fee of \$10,000 to October 1, 2006, when the monthly fee paid to Mr. Anthony increased to \$12,500 through February 28, 2007, when an additional increase to \$13,750 is currently being paid; (iii) we granted an aggregate of 375,000 stock options to Mr. Anthony to purchase shares of our common stock at \$0.33 per share and a further 225,000 stock options to purchase shares of our common stock at \$3.30 per share, both for a ten-year term from the date of grant; and (iv) the Anthony Employment Agreement may be terminated without cause by either of us by providing prior written notice of the intention to terminate at least 90 days (in the case of our Company after the initial term) or 30 days (in the case of Mr. Anthony) prior to the effective date of such termination.

During the seven months ended July 31, 2007, an aggregate of \$93,750 was incurred by us to Harry L. Anthony under the terms and provisions of the Anthony Employment Agreement. As of the date of this proxy statement no balance remains due and owing to Mr. Anthony as compensation under the Anthony Employment Agreement.

On March 1, 2008, our Compensation Committee ratified the approval of an increase in the monthly service agreement fee for Mr. Anthony under the Anthony Employment Agreement from \$13,750 to \$19,167.

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Adnani Executive Services Agreement

On July 1, 2006, our Board of Directors authorized and approved an executive services agreement between us and Amir Adnani, as amended by letter agreement dated July 1, 2007 (the "**Adnani Executive Services Agreement**"). The current initial term of the Adnani Executive Services Agreement is two years expiring on July 1, 2009. Pursuant to the terms and provisions of the Adnani Executive Services Agreement: (i) Mr. Adnani shall continue to provide duties to us commensurate with his current executive positions as our President and Chief Executive Officer; (ii) we shall pay to Mr. Adnani a monthly fee of \$10,000 to December 31, 2006, when the monthly fee paid to Mr. Adnani increased to \$12,500 through June 30, 2007, when an additional increase to \$13,750 is currently being paid; (iii) we confirmed the previous granting of his existing pre-forward split stock options and we granted an aggregate of 202,500 stock options to Mr. Adnani to purchase shares of our common stock at \$0.33 per share and a further 225,000 stock options to purchase shares of our common stock at \$3.30 per share, both for a ten-year term from the date of grant; and (iv) the Adnani Executive Services Agreement may be terminated without cause by either of us by providing prior written notice of the intention to terminate at least 90 days (in the case of our Company after the initial term) or 30 days (in the case of Mr. Adnani) prior to the effective date of such termination.

During the seven months ended July 31, 2007, an aggregate of \$88,750 was incurred by us to Amir Adnani under the terms and provisions of the Adnani Executive Services Agreement. As of the date of this proxy statement no balance remains due and owing to Mr. Adnani as compensation under the Adnani Executive Services Agreement.

On March 1, 2008, our Compensation Committee ratified the approval of an increase in the monthly service agreement fee for Mr. Adnani under the Adnani Executive Services Agreement from \$13,750 to \$19,167.

Obara Builders Consulting Services Agreement

On August 15, 2007, with an effective date of July 1, 2007, our Board of Directors authorized and approved the "**Obara Builders Consulting Services Agreement**" with Obara Builders Ltd., a private company which is controlled by Pat Obara. The initial term of the Obara Builders Consulting Services Agreement is two years expiring on July 1, 2009. Pursuant to the terms and provisions of the Obara Builders Consulting Services Agreement: (i) Mr. Obara shall continue to provide duties to us commensurate with his current executive positions as our Secretary, Treasurer, Chief Financial Officer and Principal Accounting Officer; (ii) we shall pay to Obara Builders Ltd., or to Pat Obara personally, a monthly fee of CAD \$10,000; (iii) we approved the granting of stock options from time to time to Mr. Obara at such fair market exercise price or prices per option share as may be determined by our Board of Directors and we confirmed the previous granting of his existing stock options of 200,000 stock options to purchase shares of our common stock at \$1.30 per share and a further 25,000 stock options to purchase shares of our common stock at \$3.30 per share, both for a ten-year term from the date of grant; and (iv) the Obara Builders Consulting Services Agreement may be terminated without cause by either of us by providing prior written notice of the intention to terminate at least 90 days (in the case of our Company after the initial term) or 30 days (in the case of Mr. Obara) prior to the effective date of such termination.

On March 1, 2008, our Compensation Committee ratified the approval of an increase in the monthly service agreement fee for Mr. Obara under the Obara Builders Consulting Services Agreement from CAD \$10,000 to CAD \$12,500.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF THE DIRECTOR NOMINEES SET FORTH ABOVE. DIRECTORS ARE ELECTED BY A PLURALITY OF THE VOTES CAST.

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PROPOSAL NUMBER TWO:

RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Ernst & Young LLP, Chartered Accountants, have been selected as the independent registered public accountants of the Company for the fiscal period ending July 31, 2009. Ernst & Young LLP audited the Company's financial statements for the fiscal period ended July 31, 2008. Dale Matheson Carr-Hilton LaBonte LLP served as our independent registered public accounting firm and audited our financial statements for the fiscal years ended December 31, 2007, 2006, 2005 and 2004.

Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions at the meeting.

In the event ratification by the stockholders of the appointment of Ernst & Young LLP as the Company's independent registered public accountants is not obtained, our Board of Directors will reconsider such appointment.

Aggregate fees for professional services rendered to us by our auditors are set forth below:

	Year Ended <u>July 31, 2008</u>	Seven Months Ended <u>July 31, 2007</u>	Year Ended <u>December 31, 2006</u>
Audit Fees	\$177,000	\$98,500	\$70,000
Audit-Related Fees	16,250	-	-
Tax Fees	<u>-</u>	<u>16,100</u>	<u>-</u>
Total	\$193,250	\$114,600	\$70,000

Audit Fees.

Aggregate fees for professional services in connection with the audit of our annual financial statements and the quarterly reviews of our financial statements included in our quarterly reports.

Audit-Related Fees.

Our auditors did not provide any audit-related services to us not described under "Audit Fees" above.

Tax Fees.

Our auditors provided tax preparation services.

All Other Fees.

Our auditors did not provide any other services to us other than those described above.

Pre-Approval of Services by the Independent Auditor

Our Audit Committee is responsible for the pre-approval of audit and permitted non-audit services to be performed by the Company's independent auditor. The Audit Committee will, on an annual basis, consider and, if appropriate, approve the provision of audit and non-audit services by Ernst & Young LLP. Thereafter, the Audit Committee will, as necessary, consider and, if appropriate, approve the provision of additional audit and non-audit services by Ernst & Young LLP which are not encompassed by the Audit Committee's annual pre-approval and are not prohibited by law. The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve, on a case-by-case basis, non-audit services to be performed by Ernst & Young LLP. The Audit Committee has approved all of the audit and permitted non-audit services performed by Ernst & Young LLP since the Audit Committee was formed.

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THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THIS PROPOSAL TO RATIFY THE APPOINTMENT OF ERNST & YOUNG LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS OF THE COMPANY FOR THE FISCAL PERIOD ENDING JULY 31, 2009.

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PROPOSAL NUMBER THREE:

APPROVAL OF 2009 STOCK INCENTIVE PLAN

Summary of 2009 Stock Incentive Plan

On June 5, 2009, our Board of Directors authorized and approved the adoption of the 2009 Stock Incentive Plan (the "**2009 Stock Incentive Plan**"). The 2009 Stock Incentive Plan is in addition to, and in no manner either alters, amends or is in substitution for the Company's 2006 Plan, dated as originally ratified by the Board of Directors of the Company on October 10, 2006, as ratified by the shareholders of the Company at the Company's annual general meeting held on July 24, 2008.

The purpose of the 2009 Stock Incentive 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 2009 Stock Incentive Plan is to be administered by our Compensation Committee which shall determine, among other things: (i) the persons to be granted awards under the 2009 Stock Incentive 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 restricted shares, options, stock appreciation rights, deferred stock rights and dividend equivalent rights, among others, under the 2009 Stock Incentive Plan. An aggregate of 5,000,000 of our shares may be issued pursuant to the grant of awards under the 2009 Stock Incentive 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 2009 Stock Incentive Plan. If the administrator under the 2009 Stock Incentive Plan permits a 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 2009 Stock Incentive Plan is not complete and is qualified in its entirety by reference to the 2009 Stock Incentive Plan. The 2009 Stock Incentive Plan has been included as an appendix to the Company's definitive schedule 14A proxy statement regarding this matter as filed electronically with the SEC, which is available under the Company's filings at www.sec.gov.

Federal Income Tax Consequences

The United States federal income tax consequences to the Company and its eligible participants under the 2009 Stock Incentive Plan are complex and subject to change. The following discussion is a summary of the general rules applicable to awards granted under the 2009 Stock Incentive Plan to an eligible participant who performs services within the United States or is a United States citizen or resident. The tax consequences may be affected by various income tax treaties. **Eligible participants under the 2009 Stock Incentive Plan should consult their own tax advisors since a taxpayer's particular situation may be such that some variation of the rules described below will apply.**

under the 2009 Stock Incentive Plan, and the subsequent disposition of shares of common stock acquired under the 2009 Stock Incentive Plan, are as described below. The following discussion addresses only the general federal income tax consequences of awards. Eligible participants in the 2009 Stock Incentive Plan are urged to consult their own tax advisers regarding the impact of federal, state and local taxes, the federal alternative minimum tax, and securities laws restrictions, given their individual situations. It is intended that the underlying benefits that are required to be treated as deferred compensation to which Code section 409A is applicable, will comply with statute and the underlying agency guidance interpreting that section.

In the case of an exercise of a non-qualified stock option or SAR, the participant will recognize ordinary income in an amount equal to the difference between the option exercise price (or SAR grant price) and the fair market value of the Company's common stock on the exercise date. Likewise, in the case of a common law employer-employee relationship, any amount recognized as ordinary income for income tax purposes will be also recognized as wages for the *Federal Insurance Contributions Act* ("**FICA**") and the *Federal Unemployment Tax Act* ("**FUTA**") purposes. This will require reporting and payment of Old Age Survivors and Disability Insurance ("**OASDI**"), assuming the FICA-OASDI taxable wage base has not been exceeded for the year of exercise, and Hospital Insurance. For awards, other than incentive stock options issued to non-employees, the income from the exercise of the grant will be taxable as self-employment income and will therefore be subject to both federal and state income taxes as well as self-employment taxes to the individual.

In the case of an incentive stock option, there is no tax liability at the time of exercise. However, the excess of the fair market value of the Company's common stock on the exercise date over the option exercise price is included in the eligible participant's income for purposes of the alternative minimum tax. If no disposition of the incentive stock option stock is made before the later of one year from the date of exercise or two years from the date the incentive stock option is granted, the eligible participant will realize a long-term capital gain or loss upon a sale of the stock equal to the difference between the option exercise price and the sale price. If the stock is not held for the required period, it is considered to be a "disqualifying disposition," and ordinary income tax treatment will generally apply to the amount of any gain at sale or exercise, whichever is less, and the balance of any gain or loss will be treated as capital gain or loss (long-term or short-term, depending on whether the shares have been held for more than one year). In an employer-employee relationship, if the stock received through the exercise of an Incentive Stock Option is held for the required period, and there is no disqualifying disposition, FICA and FUTA taxes will not apply. In an employer-employee relationship, if the stock received through the exercise of an incentive stock option is not held for the required period (a disqualifying disposition), the FICA and FUTA taxes will apply to the difference between the option exercise price and the fair market value of the Company's common stock on the exercise date.

In the case of an award of restricted stock, the immediate federal income tax effect for the recipient will depend on the nature of the restrictions. Generally, the value of the Company's common stock will not be taxable to the recipient as ordinary income until the year in which his or her interest in the stock is freely transferable or is no longer subject to a substantial risk of forfeiture. However, the recipient may elect to recognize income when the stock is received, rather than when his or her interest in the stock is freely transferable or is no longer subject to a substantial risk of forfeiture. If the recipient makes this election, the amount taxed to the recipient as ordinary income is determined as of the date of receipt of the restricted stock.

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In the case of all other awards, the participant generally will recognize ordinary income equal to the value of the common stock received by the participant at the time of distribution, or if later, when such shares are no longer subject to a substantial risk of forfeiture. To the extent that such an award is considered as an award of deferred compensation, it will be likely, under application of the "special timing rule," that its present