URANERZ ENERGY CORP.
Form 424B5
July 16, 2014
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED JULY 16, 2014

Preliminary Prospectus Supplement **Filed Pursuant to Rule 424(b)(5)**

to Prospectus dated July 14, 2014 **Registration No. 333-196686**

8,000,000 Units

URANERZ ENERGY CORPORATION

We are offering and selling up to 8,000,000 shares of our common stock (which we refer to as the **Shares**) and warrants to purchase up to an additional 4,000,000 shares of our common stock pursuant to this prospectus supplement and the accompanying base prospectus. We are offering the Shares and warrants in units (which we refer to as the **Units**) each consisting of one Share and one half of one transferable warrant. Each whole warrant (which we refer as a **Warrant**) is exercisable to purchase one additional share of our common stock (which we refer to as a **Warrant Share**) at a price of $1.60 per Warrant Share, subject to adjustment and early termination, for a period of 30 months following the closing of this offering. See Description of Securities Distributed. The Units will be sold at a negotiated price of $1.25 per Unit. The Units will not be issued or certificated. The Shares and Warrants are immediately separable and will be issued separately. This prospectus supplement also registers rights to purchase shares of our common stock pursuant to our shareholder rights plan effective May 25, 2010, which are attached to each Share and Warrant Share and will only separate and become exercisable following a separation event, as more fully described below under the section heading Description of Securities Distributed Rights Plan. We are offering and selling Units pursuant to a placement agency agreement dated July [ ], 2014 (which we refer to as the **Agency Agreement**), as more fully described under the section entitled Plan of Distribution on page S-22 of this prospectus supplement, between us, Haywood Securities Inc. and Cantor Fitzgerald Canada Corporation, as co-lead placement agents (which we refer to as the **Lead Agents**), and [ ] (together with the Lead Agents, the **Agents**).

Our shares of common stock are traded on the NYSE MKT LLC (which we refer to as the **NYSE MKT**) and on the Toronto Stock Exchange (which we refer to as the **TSX**) under the symbol URZ, and on the Frankfurt Exchange under the symbol U9E. On July 15, 2014, the closing price of our shares of common stock was $1.39 per share on the NYSE MKT, Cdn$1.49 per share on the TSX and 1.03 per share on the Frankfurt Exchange. We intend to apply to the NYSE MKT and the TSX for the listing of the Shares and Warrant Shares. Listing of the Shares and Warrant Shares will be subject to us fulfilling all the listing requirements of each of the NYSE MKT and TSX, respectively. All amounts in this prospectus supplement, unless otherwise specified, are expressed in United States dollars.

There is no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this prospectus supplement and the accompanying base prospectus. We do not intend to apply for listing of the Warrants on any securities exchange. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the securities. See Risk Factors beginning on page S-11 of this prospectus supplement.

Investing in the Units involves risks that are described in the Risk Factors section beginning on page S-11 of this prospectus supplement and on page 8 of the accompanying base prospectus and in the documents incorporated by reference herein and therein.

	Per Unit [1]	Total [2][3]
Public offering price	$ 1.25	$ 10,000,000
Agents fees	$ 0.075	$ 600,000
Proceeds, before expenses, to us	$ 1.175	$ 9,400,000

(1) This table is based on the sale of 8,000,000 Shares and does not reflect proceeds from the exercise of Warrants.
(2) The Agents will receive compensation in addition to the Agents fee. See Plan of Distribution for a description of compensation payable to the Agents.
(3) In addition, upon mutual agreement between us and the Lead Agents, the Agents may place up to an additional 1,600,000 Units at the same price as the offering price to the public, such mutual agreement to be made at any time at least four business days prior to the closing of the offering (the **Offer Size Increase**). This prospectus supplement covers the offer and sale of the Units, if any, under the Offer Size Increase. If the Offer Size Increase is fully agreed to, the total public offering price, Agents fees and proceeds, before expenses, to us, will be $12,000,000, $720,000 and $11,280,000, respectively. A purchaser who acquires Units forming part of the Offer Size Increase, if applicable, acquires those Units under this prospectus supplement.

The Agents are not required to purchase or sell any Units offered hereby nor are they required to sell any specific number or dollar amount of Units, but will use their commercially reasonable efforts to arrange for the sale of all of the Units offered hereby. Because there is no minimum offering amount required as a condition to the closing of this offering, the actual offering amount, Agents fees, and proceeds before expenses to us are presently not determinable and may be substantially less than the maximum amounts set forth above.

We and the Agents expect the Shares and Warrants offered hereby to be available for delivery in book-entry form through the facilities of The Depository Trust Company at closing, which is anticipated to be on or about July 25, 2014 or such other date as may be agreed upon between us and the Lead Agents. Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), trades in the secondary market generally are required to settle in three business days, unless the parties expressly agree otherwise, we anticipate a settlement cycle of T+3 business days. Accordingly, purchasers who wish to trade prior to the delivery date may be required to specify an alternate settlement cycle at the time of the trade to prevent a failed settlement. Investors who wish to trade prior to the delivery date should consult their own advisors.

Neither the United States Securities Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Haywood Securities Inc. **Cantor Fitzgerald Canada Corporation**

[ ]

The date of this prospectus supplement is , 2014

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PROSPECTUS SUPPLEMENT

BASE PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of our Units and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference herein and therein. The second part is the accompanying base prospectus, which gives more general information about securities we may offer from time to time, some of which may not be applicable to this offering. To the extent there is a conflict between information contained in this prospectus supplement and information contained in the accompanying base prospectus or any document incorporated by reference herein or therein or the information in each free writing prospectus, if any, the information in this prospectus supplement shall control and you should rely on the information contained in this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference into this prospectus supplement or the accompanying base prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

This prospectus supplement relates to a registration statement on Form S-3 that we filed with the SEC utilizing a shelf registration process. Under this shelf registration process, we may, from time to time, offer and sell any of the securities or any combination of the securities described in the accompanying base prospectus in one or more offerings. You should read this prospectus supplement, the accompanying base prospectus, the documents incorporated by reference herein and therein and each free writing prospectus, if any. We have also filed this prospectus supplement and the accompanying base prospectus with the securities regulatory authorities in each of the provinces of Canada, except Quebec, pursuant to the multi-jurisdictional disclosure system (which Canadian-filed prospectus supplement and accompanying prospectus we refer to as the **Canadian Prospectus**). The securities qualified under the Canadian Prospectus may be offered and sold in each of the provinces of Canada, other than Quebec, subject to any applicable securities laws.

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying base prospectus and each free writing prospectus, if any, related to this offering. We have not, and the Agents have not, authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. You should assume that the information appearing in this prospectus supplement, the accompanying base prospectus, any free writing prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying base prospectus and each free writing prospectus, if any, is accurate only as of the respective dates of such documents regardless of the time of delivery of such documents or of any sale of securities hereunder. Our business, financial condition, results of operations and prospects may have changed since those dates. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying base prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. You should also read and consider the information in the documents to which we have referred you under the captions Where To Find Additional Information and Documents Incorporated by Reference in this prospectus supplement and under the sections entitled, Where You Can Find More Information and Documents Incorporated by Reference in the accompanying base prospectus, and any additional information you may need to make your investment decision.

We and the Agents are offering to sell, and are seeking offers to buy, the Units only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying base prospectus and the offering of the Units in certain jurisdictions or to certain persons within such jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying base prospectus must inform themselves about and observe any restrictions relating to the offering of the Units and the distribution of this prospectus supplement and the accompanying base prospectus outside the United States. This prospectus supplement and the accompanying base prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying base prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

The industry and market data and other statistical information contained in this prospectus supplement, the accompanying base prospectus, any free writing prospectus related to the offering and in the documents we incorporate by reference herein or therein are based on management s own estimates, independent publications, government publications, reports by market research firms or other published independent sources, and, in each case, are believed by management to be reasonable estimates. Although we believe these sources are reliable, we have not independently verified the information.

Unless stated otherwise or the context otherwise requires, references in this prospectus supplement and the accompanying base prospectus to the Company, Uranerz, we, us or our refer to Uranerz Energy Corporation.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base prospectus and the documents incorporated herein and therein by reference and any free writing prospectus contain forward-looking-statements within the meaning of the Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and, if warranted, development of our properties, plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as expects or does not expect, is expected, anticipates does not anticipate, plans, estimates or intends, or stating that certain actions, events or results may, could, would, might or will or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks related to our limited operating history;
- risks related to the probability that our properties contain reserves;
- risks related to our past losses and expected losses in the near future;
- risks related to our need for qualified personnel for exploring for, starting and operating a mine;
- risks related to our lack of known reserves;
- risks related to the fluctuation of uranium prices;
- risks related to the public acceptance of nuclear power;
- risks related to environmental laws and regulations and environmental risks;
- risks related to using our in-situ recovery mining process;
- risks related to exploration and, if warranted, development of our properties;
- risks related to our ability to acquire necessary mining licenses or permits;
- risks related to our ability to make property payment obligations;

risks related to obtaining the necessary access rights;

risks related to potential environmental liabilities;

risks related to requirements for personnel with expertise in putting a mineral deposit into production;

risks related to the competitive nature of the mining industry;

risks related to our dependence on key personnel;

risks related to requirements for new personnel;

risks related to securities regulations;

risks related to stock price and volume volatility;

risks related to dilution;

risks related to our lack of dividends;

risks related to our ability to access capital markets;

risks related to recent market events;

risks related to our issuance of additional shares of common stock;

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- risks related to acquisition and integration issues;
- risks related to defects in title to our mineral properties;
- risks related to the construction and delay in construction of the Nichols Ranch ISR Uranium Project;
- risks related to our ability to achieve targeted extraction or production rates at our Nichols Ranch ISR Uranium Project;
- risks related to higher than expected operating costs at our Nichols Ranch ISR Uranium Project;
- risks related to our outstanding notes; and
- risks related to our securities.

For a more detailed discussion of such risks and other important factors that could cause actual results to differ materially from those in such forward-looking statements please see the section entitled Risk Factors beginning on page S-11 of this prospectus supplement and on page 8 of the accompanying base prospectus and, to the extent applicable, the Risk Factors sections in our annual report on Form 10-K and our quarterly reports on Form 10-Q, and any further amendments thereto, as filed with the SEC and the Canadian securities authorities that are incorporated by reference herein and therein. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that these statements will prove to be accurate as actual results and future events could differ materially from those anticipated in the statements. Except as required by law, we assume no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Investors should review our subsequent reports filed with the SEC and the Canadian securities authorities on Forms 10-K, 10-Q and 8-K and any amendments thereto. We qualify all forward-looking statements by these cautionary statements.

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PROSPECTUS SUPPLEMENT SUMMARY

The following is a summary of the material features of the offering. It should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus supplement, the accompanying base prospectus, any free writing prospectus filed by us, if any, and the documents incorporated by reference herein and therein, including the information under Risk Factors beginning on page S-11 of this prospectus supplement and page 8 of the accompanying base prospectus.

Business of the Company

Uranerz Energy Corporation was incorporated under the laws of the State of Nevada on May 26, 1999. On July 5, 2005, we changed our name from Carleton Ventures Corp. to Uranerz Energy Corporation.

Our principal business office and our operations office is located at 1701 East E Street, PO Box 50850, Casper, Wyoming 82605-0850, USA and our phone number there is 307-265-8900. We also maintain an administrative office located at Suite 1410 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6, and our telephone number there is 604-689-1659.

General

We are a United States based uranium company focused on commercial in-situ recovery (**ISR**) uranium extraction and production. ISR is a mining process that uses a leaching solution to extract uranium from underground sandstone-hosted uranium deposits; it is the generally accepted extraction technology used in the Powder River Basin area of Wyoming. We control a large strategic land position in the central Powder River Basin. Our management team has specialized expertise in the ISR uranium mining method, and a record of licensing, constructing, and operating ISR uranium projects.

Our Powder River Basin properties include:

- our 100% owned properties that totaled 20,121 acres as of March 31, 2014; and
- our 81% interest in Arkose Mining Venture properties that totaled 59,107 acres as of March 31, 2014.

Our 100% owned properties are comprised of unpatented mineral lode claims, state leases and fee (private) mineral leases, summarized as follows:

Property Composition	Ownership Interest (1)	Number of Claims/ Leases	Acreage
Unpatented Lode Mining Claims	100%	826	16,520
State Leases	100%	3	1,360
Fee (private) Mineral Leases	100%	41	2,241
Total			**20,121**

(1) Subject to various royalties.

Our 100% owned properties in the Powder River Basin include the following property units:

Property	No. Claims	Acreage
Jane Dough	22	440
Collins Draw	32	640

North Rolling Pin	54	1,080
Hank	66	1,320
Nichols Ranch	36	720
Willow Creek	11	220
West North-Butte	125	2,500
East Nichols	44	880
North Nichols	107	2,140
Total	**497**	**9,940**

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The Arkose Mining Venture properties are comprised of unpatented lode mining claims, state leases and fee (private) mineral leases, summarized as follows:

Property Composition	Ownership Interest (1)	Number of Claims/ Leases	Acreage (2)
Unpatented Lode Mining Claims	81%	2,641	43,207
State Leases	81%	3	2,080
Fee (private) Mineral Leases	81%	61	13,820
Total			**59,107**

(1) Subject to various royalties.

(2) We anticipate terminating our lease on approximately 2,615.40 acres during late July 2014.

Through a combination of claim staking, purchasing and leasing, we have also acquired interests in projects that lie within the Powder River Basin but outside of the specific project areas discussed above. These additional properties include the Verna Ann, Niles Ranch and Reno Creek projects. However, due to our focus on other activities, we have not yet made any decisions on these projects.

Information regarding the location of and access to our Wyoming properties, together with the history of operations, present condition and geology of each of our significant properties, is presented in Item 2 of our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC on March 14, 2014 under the heading Description of Properties. None of our properties has proven or probable reserves pursuant to the SEC s Industry Guide 7 and all are exploratory in nature.

We are principally focused on the exploitation of our properties in the Powder River Basin but we continually investigate other uranium opportunities as they arise.

In anticipation of receiving all the approvals necessary to begin uranium extraction, we commenced a marketing program for conditional sales of uranium from our Nichols Ranch ISR Uranium Project. In 2009, we entered into a sales agreement with Exelon Generation Company, LLC for the sale of uranium over a five-year period at defined pricing. That agreement was subsequently amended to defer the delivery schedule by a year and adjust the pricing terms. On January 25, 2013 we entered into a second supply agreement with Exelon for the sale of uranium over an additional five-year period commencing in 2016, at defined pricing adjustable for inflation. In August of 2009, we entered into what was then our second contract for the sale of uranium to a U.S. utility, also over five years, with a pricing structure that contains references to both spot and term prices and includes floor and ceiling prices. That agreement was also subsequently amended to defer the original five-year delivery period by a year, reduce the annual volumes to be supplied, and adjust the pricing terms. These three long-term contracts for the sale of uranium are with two of the largest nuclear utilities in the U.S. These three agreements do not individually represent a substantial portion of our targeted uranium extraction and our business is not substantially dependent on these agreements.

The Nichols Ranch ISR Uranium Project currently includes our Nichols Ranch Unit and our Hank Unit. Under the licensed plan, a processing plant has been built at Nichols Ranch and a satellite processing facility would be built at Hank. In March 2010, we commenced preparation of the environmental permit and license applications for the Jane Dough Unit, which is adjacent to the area currently being developed at the Nichols Ranch Unit and will share its infrastructure. This will provide us with the option to revise our original plan of operations by bringing our Jane Dough Unit into extraction before the Hank Unit of our Nichols Ranch ISR Uranium Project. Due to the close proximity, Jane Dough fluids can be delivered directly to our Nichols Ranch processing facility by pipeline, thus eliminating the need for larger capital outlay to build a satellite processing facility at Hank. Our Jane Dough Unit includes the Doughstick, South Doughstick and North Jane properties. Additional units may be added to the mine plan as we assess our geological data. We plan to continue the exploration and strategic planning of our other Wyoming Powder River Basin properties through a number of strategies including acquisitions or exchanges with other ISR uranium mining companies in the area.

In December 2010, we received a Permit to Mine from the Wyoming Department of Environmental Quality Land Quality Division (**WDEQ-LQD**). In July 2011, we received our Source Material License from the United States Nuclear Regulatory Commission and immediately began construction of our Nichols Ranch ISR Uranium Project.

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In November 2011, we signed a processing agreement with Cameco Resources (**Cameco**), a wholly-owned U.S. subsidiary of Cameco Corporation, the world s largest publicly-traded uranium company. Under the agreement we will deliver uranium-loaded resin from our Nichols Ranch ISR Uranium Project to Cameco s Smith Ranch Highland uranium mine for final processing into dried uranium concentrate packaged for shipping to a converter. Cameco s Smith Ranch Highland mine is located in the Powder River Basin approximately 25 miles south of our Nichols Ranch Unit. Extraction at the Jane Dough Unit is compatible with this plan. The agreement is for a fixed term with a variable starting date dependent on the commencement of uranium extraction. Under the agreement, we and Cameco stipulate both a minimum quantity of pounds and a maximum quantity of pounds which will be delivered by us and processed by Cameco. It is our expectation that in its initial few years of extraction, all resins extracted at Nichols Ranch will be processed by Cameco under this agreement. In the event that we fail to deliver the minimum quantities stipulated by the agreement, we will be required to compensate Cameco a stipulated sum of liquidated damages.

In September 2012, we submitted an application to the Wyoming Business Council for a $20,000,000 loan under the Wyoming Industrial Development Revenue Bond Program (the **Bond Financing**). The loan was received in December 2013, and has a seven year term with an interest rate of 5.75% per annum. We are required to make interest-only payments during the first year, and in the following years the debt will be amortized to include payments of principal and interest. The Loan can be repaid earlier than its maturity date if we so choose. The Loan is secured by a charge on certain assets of the Company.

On June 6, 2013, we entered into a Note Purchase Agreement, dated as of May 31, 2013, by and among us, Deans Knight Capital Management Ltd. (**Deans Knight**) and the investors in the Notes (the **Investors**), (the **Note Purchase Agreement**). Pursuant to the Note Purchase Agreement, the Investors agreed to lend to the Company $6 million (the **Loan**) in exchange for senior notes of the Company equal to the outstanding principal balance of the loan (the **Notes**). Pursuant to the terms of the Note Purchase Agreement, the Notes matured on the earlier of: (i) 30 days from the execution and delivery of documentation in connection with the Bond Financing, and (ii) December 31, 2013. The Notes bore interest from the date of issue at 6.0% per annum increasing to 10.0% per annum on August 16, 2013 as the Notes were not repaid prior to August 15, 2013. As additional consideration for the Loan, we agreed to issue to the Investors 1,600,000 non-transferable common stock purchase warrants, each warrant entitling the Investors to purchase from us a share of our common stock at an exercise price of $1.60. The warrants expire 30 months from the date of issue, subject to acceleration. The Notes were repaid upon the closing of the Bond Financing.

During the first quarter of 2014, the Company completed the construction of the processing facility, the installation of two deep disposal wells and the installation of the initial mine wellfield at Nichols Ranch. Standard Operating Procedures were prepared and operating personnel were hired and trained. A United States Nuclear Regulatory Commission (**NRC**) pre-operational field inspection was conducted in January 2014, with the final start-up authorization received in April. Uranerz commenced uranium mining operations at Nichols Ranch in April 2014 upon receipt of the NRC authorization. The commissioning phase of mine operations at Nichols Ranch is nearing completion as the head grade, or concentration of uranium in the recovery solution, is continuing to increase on the expected profile. The Company made its first uranium-loaded resin delivery to Cameco s Smith Ranch uranium processing facilities in mid-June, with further deliveries of uranium-loaded resin being sent to Cameco for toll processing on a routine basis.

In May 2014, we submitted the source material license amendment application for our Jane Dough Unit to the NRC. We are applying to add the Jane Dough Unit as an amendment to the existing license for the Nichols Ranch ISR Uranium Project. We intend to continue the permitting and licensing of the Jane Dough Unit so that it can be sequenced as described above while uranium extraction is ongoing at the Nichols Ranch Unit.

The Nichols Ranch ISR Uranium Project is licensed for a recovery level of up to two million pounds of uranium per year with initial annual recovery dependent upon the extraction efficiency in our first wellfield and market factors. The project will also serve as a platform to advance our other Powder River Basin properties with potential enhanced economics for adjacent and satellite projects. Cameco and Uranium One, two of the largest ISR uranium mining companies in the world, are continuing to extract uranium near the Uranerz properties in the Powder River Basin.

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Overview of Uranium Market

The primary commercial use for uranium is to fuel nuclear power plants for the generation of electricity. All the uranium produced from our mines will be used to generate electricity.

According to the World Nuclear Association, in 2013, nuclear power plants supplied about 11% of global generated electricity. There are currently 434 operable reactors world-wide which will require approximately 145 million pounds of U_3O_8 fuel in 2014, and there are currently 73 new reactors under construction with an additional 172 reactors on order or in the planning stage and another 309 in the proposed stage.

The world continues to consume more uranium than it produces and largely due to increasing energy demands in Asia. Historically the gap between demand and supply has been filled by stock-piled inventories and secondary supplies; however, these are finite and are being drawn down. Until recently, one of the largest sources of secondary supply was the uranium derived from Russia s Highly Enrich Uranium program with the United States. However, all the deliveries from this source were completed at the end of 2013. According to World Nuclear Association, the United States currently has 100 operating reactors, 5 new reactors under construction and another 22 reactors in the planned or proposed stage. According to the U.S. Energy Information Administration, the United States derived approximately 17% of its uranium from U.S. origin in 2013.

Uranium is not traded on an open market or organized commodity exchange such as the London Metal Exchange (although the New York Mercantile Exchange provides trading of cash-settled uranium futures contracts). Buyers and sellers negotiate contracts privately and usually directly. Uranium prices, both spot prices and long-term prices, are published by two independent market consulting firms, Tradetech and Ux Consulting, on a weekly basis.

The spot and long-term price of uranium is influenced by a number of factors, some of which are international. For example, both the spot and long-term price of uranium was impacted by the accident at the Fukushima Daiichi Nuclear Plant in Japan in March 2011. The events at Fukushima created heightened concerns regarding the safety of nuclear plants and lead to closures of nuclear plants. These plant closures have created uncertainty in the market.

Most nuclear utilities seek to purchase a portion of their uranium needs through long-term supply contracts with another portion being bought on the spot market in the short term. Like sellers, buyers are seeking to balance the security of long-term supply with the opportunity to take advantage of price fluctuations. For this reason both buyers and sellers track current spot and long-term prices for uranium carefully, make considered projections as to future price changes, and then negotiate with one another to enter into a contract which each deems favorable to their respective interests.

The graph below shows the monthly spot uranium and long-term uranium price from 1969 until May 2014 as reported by Ux Consulting.

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Recent Developments

Change in Control Severance Agreements

On May 1, 2014, we entered into new change in control severance agreements (the **Change in Control Severance Agreements**) with four of our executive officers: Executive Chairman Dennis Higgs, Chief Executive Officer Glenn Catchpole, President & Chief Operating Officer W. Paul Goranson, and Senior Vice President & Chief Financial Officer Benjamin Leboe. The new Change in Control Severance Agreements replace and supersede change in control agreements (the previous agreements) between the Company and three of its executive officers: Executive Chairman Dennis Higgs, Chief Executive Officer Glenn Catchpole and Senior Vice President, Finance & Chief Financial Officer Benjamin Leboe. Under the new Change in Control Severance Agreements, the executive officer will be entitled to certain severance benefits if, following a change of control (as defined in the Change in Control Severance Agreement), the Company terminates the executive s employment without cause , as defined in the agreement, or the executive terminates his employment with the Company for good reason (as defined in the Change in Control Severance Agreement). In such event, each executive officer would be entitled to receive his base salary through to the date of termination, a pro-rated target bonus for the year of termination and two times his base salary and target bonus, in each case as in effect on the date of the change in control, or the date of termination (whichever is higher).

The new form of Change in Control Severance Agreement provides that each executive officer will be prohibited, for a one year period after his termination, from soliciting employees or customers or suppliers of the Company and each executive officer will be subject to confidentiality restrictions. Following termination of employment the executive officer will be required to sign a release of claims against the Company prior to receiving severance benefits under the agreement.

Resignation of Senior Vice President, Legal & Corporate Secretary

On May 1, 2014, Sandra R. MacKay, Senior Vice President, Legal & Corporate Secretary and an executive officer of our Company, tendered her resignation from employment with our Company, effective June 15, 2014, in order to pursue another professional opportunity.

United States Nuclear Regulatory Commission Authorization

On April 15, 2014, the NRC issued a letter of authorization to our Company authorizing us to commence in-situ uranium recovery operations at our Nichols Ranch ISR Uranium Project.

Option Surrender Agreements

Effective February 15, 2014, our four independent directors and each of our: Chief Executive Officer, Executive Chairman, Senior Vice President, Finance & Chief Financial Officer and Senior Vice President, Legal & Corporate Secretary, all of whom held options to purchase shares of common stock with exercise prices greater than $3.20 per Common Share, previously granted to them pursuant to the our Amended 2005 Nonqualified Stock Option Plan (the **Plan**) entered into option surrender agreements (**Surrender Agreements**) with our Company.

Pursuant to the Surrender Agreements, the independent directors and such executive officers agreed to surrender to us, for no consideration, options to purchase an aggregate of 1,814,000 shares of common stock, with a weighted average exercise price of $3.43; such surrendered shares are available for future grant under the Plan.

Arkose Mining Venture Lease Terminations

Based on unfavorable exploration results, the Arkose Mining Venture intends to give notice that it will terminate its lease on approximately 2,615.40 acres in late July 2014.

Corporate Information

We were incorporated under the laws of the State of Nevada on May 26, 1999. On July 5, 2005, we changed our name from Carleton Ventures Corp. to Uranerz Energy Corporation. Our executive and operations office is located at 1701 East E Street, P.O. Box 50850, Casper, Wyoming USA 82605-0850. Our administrative office is located at Suite 1410 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The telephone number for our executive office is (307) 265-8900. The telephone number for our administrative office is (604) 689-1659.

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The Offering

The following is a brief summary of certain terms of this offering and is not intended to be complete. It does not contain all of the information that will be important to a holder of Shares or Warrants. For a more complete description of our securities, see the section entitled Description of Securities Distributed in this prospectus supplement.

Issuer:	Uranerz Energy Corporation
Offering:	Up to 8,000,000 Units
	Each Unit consists of one Share and one half of one Warrant
Amount:	Up to $10,000,000
Price to the Public:	$1.25 per Unit
Warrants:	Each Warrant will entitle the holder to purchase one share of our common stock, subject to adjustment and early termination, for a period of 30 months after the closing of this offering at a price of $1.60.
	The Warrants will be freely transferable, subject to the terms and conditions of the Warrant Indenture (as defined herein).