

URANERZ ENERGY CORP.

Form 424B2

October 22, 2009

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Prospectus Supplement
to Prospectus dated August 21, 2009

Filed Pursuant to Rule 424(b)(2)
Registration No. 333-160504

10,000,000 Units

URANERZ ENERGY CORPORATION

Uranerz Energy Corporation (which we refer to as **Uranerz**, the **Company**, **we**, or **us**) is offering and selling up to 10,000,000 shares of its common stock (which we refer to as the **Shares**) and warrants to purchase up to an additional 5,000,000 shares of its common stock (which we refer to as the **Warrants**) 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 Warrant, each whole Warrant exercisable to purchase one additional share of common stock of the Company at a price of \$3.00 per share of common stock, subject to adjustment and early termination, for a period of 30 months following the closing of this offering. The Units will be sold at a negotiated price of \$2.00 per Unit. The Units will not be issued or certificated. The Shares and Warrants are immediately separable and will be issued separately. We do not intend to apply for listing the Warrants on any securities exchange.

Our shares of common stock are traded on the NYSE Amex LLC (which we refer to as the **Amex**) 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 October 21, 2009, the closing price of our shares of common stock on the Amex was \$1.78 per share of common stock, on the TSX was Cdn \$1.80 per share of common stock and on the Frankfurt Exchange was 1.18 per share of common stock. **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. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such Warrants, and the extent of issuer regulation.** Our principal executive offices are located at 1701 East E Street, PO Box 50850, Casper, Wyoming 82605-0850, and our telephone number is 307-265-8900.

Investing in the Units involves a high degree of risk. Before buying any Units, you should read the discussion of material risks of investing in our Units in the Risk Factors section beginning on page S-11 of this prospectus supplement and the Risk Factors and Uncertainties section beginning on page 7 of the accompanying base prospectus and in the documents incorporated by reference herein and therein.

	Per Unit Price ⁽¹⁾	Total ⁽²⁾⁽³⁾
Public offering price	\$ 2.00	\$20,000,000
Placement agents' fees	\$ 0.12	\$1,200,000
Proceeds, before expenses, to us	\$ 1.88	\$18,800,000

- (1) A Unit consists of one Share together with one-half of one Warrant, each whole Warrant exercisable to purchase one share of common stock. This table excludes shares of common stock issuable upon exercise of the Warrants offered hereby.

- (2) This table is based on the sale of 10,000,000 Shares and does not reflect the proceeds from the exercise of Warrants covering 5,000,000 additional shares of common stock registered in this offering which have an exercise price of \$3.00 per share of common stock. See "Description of Warrants" in this prospectus supplement.
- (3) In addition, we have granted the placement agents an option (which we refer to as the **Agents Option**) to place up to an additional 1,500,000 Units at the same price as the offering price to the public exercisable, in whole or in part, at the sole option of Dahlman Rose & Company, LLC and Haywood Securities Inc., on behalf of the placement agents, at any time up to two business days prior to the closing of the offering. This prospectus supplement covers the offer and sale of the Units upon exercise of the Agents Option. If the Agents Option is fully exercised, the total public offering price, placement agents' fees and proceeds, before expenses, to us, will be \$23,000,000, \$1,380,000 and \$21,620,000, respectively. A purchaser who acquires Units forming part of the Agents Option, if applicable, acquires those Units under this prospectus supplement.

We are offering and selling the Units pursuant to an agency agreement dated October 22, 2009 by and among us and Dahlman Rose & Company, LLC, Haywood Securities Inc., GMP Securities L.P., Dundee Securities Corporation, and Versant Partners Inc. as placement agents in connection with this offering. The placement agents are not required to purchase or sell any Units, Shares or Warrants offered hereby nor are they required to sell any specific number or dollar amount of Units, but will use their best 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, placement agents' fees, and proceeds, before expenses, to us are not presently determinable and may be substantially less than the maximum amounts set forth above.

We expect the Shares and Warrants offered hereby to be delivered on or about October 27, 2009, or such earlier date as we and the placement agents may agree following the completion of the placement of all of the Units offered pursuant to this prospectus supplement.

Neither the United States Securities Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying base prospectus. Any representation to the contrary is a criminal offense.

Dahlman Rose & Company

Haywood Securities Inc.

GMP Securities L.P.

Dundee Securities Corporation

Versant Partners Inc.

The date of this prospectus supplement is October 22, 2009

You should rely only on the information contained in or incorporated by reference into this prospectus supplement and the accompanying base prospectus and any free writing prospectus relating to this offering. We have not, and the placement 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. We are not, and the placement agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. 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 herein and therein is accurate only as of the respective dates of such documents. Our business, financial condition, results of operations and prospects may have changed since those dates. Information in this prospectus supplement updates and modifies the information in the accompanying base prospectus and information incorporated by reference herein and therein. To the extent that any statement made in this prospectus supplement or any free writing prospectus (unless otherwise specifically indicated therein) differs from those in the accompanying base prospectus, the statements made in the accompanying base prospectus and the information incorporated by reference herein and therein are deemed modified or superseded by the statements made by this prospectus supplement.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement relates to a registration statement that we filed with the United States Securities and Exchange Commission (which we refer to as the **SEC**) utilizing a shelf registration process. Under this shelf registration process, we may, from time to time, offer, sell and issue any of the securities or any combination of the securities described in the accompanying base prospectus in one or more offerings. The accompanying base prospectus provides you with a general description of the securities we may offer. This prospectus supplement contains specific information about the terms of this offering of Units by us. This prospectus supplement and any free writing prospectus filed by us (unless otherwise specifically stated therein) may add, update or change information contained in the accompanying base prospectus and the documents incorporated by reference herein and therein. You should read this prospectus supplement, the accompanying base prospectus and any free writing prospectus filed by us together with the information described under the sections entitled, **Where to Find Additional Information** and **Incorporation of Certain Information by Reference** in this prospectus supplement and any additional information you may need to make your investment decision. 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.

Prospective investors should be aware that the acquisition of the Shares and Warrants described herein and the exercise of the Warrants may have tax consequences both in the United States and Canada, as applicable. Such consequences for investors who are resident in, or citizens of, the United States or Canada may not be described fully in this prospectus supplement, the accompanying base prospectus or the Canadian Prospectus. See **U.S. Federal Income Tax Consequences** in the accompanying base prospectus.

Unless otherwise stated, currency amounts in this prospectus supplement are stated in United States dollars. The financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus, and the selected consolidated financial data derived therefrom included in this prospectus supplement, are presented in United States dollars. References to \$ are to U.S. dollars and references to Cdn\$ are to Canadian dollars. The financial statements incorporated by reference in this prospectus supplement and the accompanying base prospectus, and the selected consolidated financial data derived therefrom included in this prospectus supplement, have been prepared in accordance with United States Generally Accepted Accounting Principles.

The registration statement that contains the accompanying base prospectus (SEC File No. 333-160504) (including the exhibits filed with and the information incorporated by reference into the registration statement) contains additional important business and financial information about us, the Units, the Shares, and the Warrants that is not presented or delivered with this prospectus supplement. That registration statement, including the exhibits filed with the registration statement and the information incorporated by reference into the registration statement, can be read at the SEC's website, www.sec.gov, or at the SEC office mentioned under the section of this prospectus supplement entitled **Where to Find Additional Information** below.

WHERE TO FIND ADDITIONAL INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials we have filed with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its public reference room. Our SEC filings also are available to the public on the SEC's Internet site at www.sec.gov. In addition, we maintain a

website that contains information about us, including our SEC filings, at www.uranerz.com. The information contained on our website does not constitute a part of this prospectus supplement, the accompanying base prospectus, the Canadian Prospectus or any other report or documents we file with or furnish to the SEC or with the securities regulatory authorities in Canada.

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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 contain forward-looking-statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and, if warranted, development of its properties, plans related to its 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 or does not anticipate, plans, estimates or intends, or stating that certain actions, events or results may, could, would, might or will be taken, occur or be achieved) are forward-looking 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 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 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;

risks related to acquisition and integration issues; and

risks related to defects in title to our mineral properties.

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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 the section entitled **Risk Factors and Uncertainties** beginning on page 7 of the accompanying base prospectus and, to the extent applicable, the **Risk Factors** sections in our annual reports on Form 10-K and our quarterly reports on Form 10-Q as filed with the SEC and the Canadian securities authorities that are incorporated by reference herein. 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.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

This prospectus supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying base prospectus solely for the purpose of offering the Units. Other documents are also incorporated, or are deemed to be incorporated, by reference into the accompanying base prospectus, and reference should be made to the accompanying base prospectus for full particulars thereof.

The following documents which have been filed by us with securities commissions or similar authorities in Canada and with the SEC, are also specifically incorporated by reference into, and form an integral part of the accompanying base prospectus, as supplemented by this prospectus supplement (excluding, unless otherwise provided therein or herein, information furnished pursuant to Item 2.02 and Item 7.01 of any Current Report on Form 8-K):

- (a) our Annual Report on Form 10-K for the year ended December 31, 2008, which report contains our audited financial statements and the notes thereto as at December 31, 2008 and 2007 and for the three years ended December 31, 2008, together with the auditors' report thereon, as filed on March 12, 2009;
- (b) our Proxy Statement on Schedule 14A, dated April 30, 2009, in connection with our June 10, 2009 annual general meeting of stockholders, as filed on April 30, 2009;
- (c) our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, which report contains our unaudited financial statements and the notes thereto as at June 30, 2009 and for the three and six month periods ended June 30, 2009 and 2008, as filed on August 10, 2009;
- (d) our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, which report contains our unaudited financial statements and the notes thereto as at March 31, 2009 and for the three month periods ended March 31, 2009 and 2008, as filed on May 11, 2009;
- (e) our Current Reports on Form 8-K filed January 8, 2009, June 16, 2009, October 14, 2009 and October 15, 2009;
- (f) the description of our common stock contained in our registration statement on Form SB-2, as amended (No. 333-12633), as filed on March 15, 2002, including any amendment or report filed for purposes of updating such description; and

- (g) all other documents filed by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), after the date of this prospectus supplement but before the end of the offering of the securities made by this prospectus supplement and the accompanying base prospectus.

You may obtain copies of any of these documents by contacting us at the address and telephone number indicated below or by contacting the SEC as described under the section entitled **Where to Find Additional**

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Information. You may request a copy of these documents, and any exhibits that have specifically been incorporated by reference as an exhibit to the registration statement of which this prospectus supplement forms a part, at no cost, by writing to or telephoning:

Uranerz Energy Corporation
1701 East E Street, PO Box 50850
Casper, Wyoming 82605-0850
Attention: Sandra R. MacKay, Corporate Secretary
(604) 689-1659

You should rely only on the information provided or incorporated by reference in this prospectus supplement, the accompanying base prospectus and any free writing prospectus. You should not assume that the information in this prospectus supplement, the accompanying base prospectus, any free writing prospectus or any document incorporated herein or therein, is accurate as of any date other than the date on the front cover of the applicable document.

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SUMMARY

The following is a summary of the principal features of the offering and is not intended to be complete. 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 and the documents incorporated by reference herein and therein, including the sections entitled Risk Factors. Unless otherwise indicated, the information in this prospectus supplement assumes that the placement agents will not exercise the Agents Option to place additional Units.

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 executive offices are located at 1701 East E Street, PO Box 50850, Casper, Wyoming 82605-0850, USA and our phone number there is 307-265-8900.

Our principal business office and our operations office is located at 1701 East E Street, PO Box 50850, Casper, Wyoming 82605-0850 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 an exploration stage company engaged in the acquisition and exploration of uranium properties. Uranium used in this context refers to U_3O_8 . U_3O_8 , also called yellowcake, is triuranium octoxide produced from uranium ore and is the most actively traded uranium-related commodity.

We are principally focused on the exploration of our properties in the Powder River Basin area of Wyoming. We are exploring these properties with the objective of assessing their viability for commercial in-situ recovery (which we refer to as **ISR**) uranium mining projects. ISR is a low cost mining process that uses a leaching solution to extract uranium from underground ore bodies. We also own interests in properties in the Great Divide Basin area of Wyoming, in Texas and in Saskatchewan, Canada.

We have applied for mine operating permits on two of our properties in the Powder River Basin area of Wyoming that we feel have the potential, based on data in our possession, of being developed into commercial in-situ recovery uranium mines. These permits, if received, should allow us to produce uranium yellowcake concentrate, which can be sold directly to utilities for fuel used in nuclear electrical generating facilities.

Our Powder River Basin properties include:

- our 100% owned properties that totalled 30,945 acres as of October 22, 2009;
- our 81% interest Arkose Mining Venture properties that totalled 88,128 acres as of October 22, 2009; and
- additional properties that we have acquired inside the Powder River Basin area.

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 (Approximate)
Unpatented Lode Mining Claims	100%	1,096	21,920 acres
State Leases	100%	7	6,480 acres
Fee (private) Mineral Leases	100%	23	2,545 acres
Total			30,945 acres

(1) Subject to various royalties.

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

Property	No. Claims	Acreage (Approximate)
Doughstick	22	440
Collins Draw	38	760
North Rolling		
Pin	65	1,300
Hank	66	1,320
Nichols Ranch	36	720
C-Line	40	800
Willow Creek	11	220
West North-Butte	145	2,900
East Nichols	44	880
North Nichols	107	2,140
TOTAL	574	11,480

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 (Approximate)
Unpatented Lode			
Mining Claims	81%	4,104	67,141 acres
State Leases	81%	3	2,080 acres
Fee (private) Mineral			
Leases	81%	68	18,907 acres
Total			88,128 acres

Through a combination of claim staking, purchasing, and leasing we have also acquired interests in several projects that lie within the Powder River Basin but outside of the project areas discussed above. These properties include the Verna Ann, Niles Ranch, North Reno Creek, and South Reno Creek projects. These projects are located in sandstone basins of Tertiary age with known uranium mineralization. However, due to our focus on other projects, we have not yet initiated exploration work on these projects.

Our plan of operations is to carry out exploration of our Wyoming Powder River Basin properties. Our Saskatchewan and Wyoming Great Divide Basin properties are under strategic review. The information regarding the location and access for our Saskatchewan and Wyoming properties, together with the history of operations, present condition and geology of each of our properties, is presented in Item 2 of our Annual Report on Form 10-K for the year ended December 31, 2008 under the heading "Description of Properties", previously filed with the SEC on March 12, 2009.

We have applied for mine operating permits on two of our properties in the Powder River Basin area of Wyoming that we feel have the potential, based on data in our possession, of being developed into commercial in-situ recovery uranium mines. We plan to use the low cost mining process of ISR. The leaching agent, which contains an oxidant

such as oxygen with sodium bicarbonate (commonly known as baking soda), is added to the native groundwater and injected through wells into the ore body in a sandstone aquifer to dissolve the uranium. This

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solution is then pumped via other wells to the surface for processing resulting in a cost-efficient and, relative to other common mining methods, a more environmentally-friendly mining process.

The ISR mining process differs dramatically from conventional mining techniques in that ISR mining leaves the rock matrix in place. The ISR technique avoids the movement and milling of rock and ore as well as mill tailing waste associated with more traditional mining methods.

Applications for a Permit to Mine and a Source Material License for the Nichols Ranch ISR Uranium Project were submitted to the Wyoming Department of Environmental Quality Land Quality Division (which we refer to as **WDEQ**) and the United States Nuclear Regulatory Commission (which we refer to as **NRC**) in December of 2007. Both the NRC and WDEQ applications were deemed complete for further technical and environmental review in April 2008 and August 2008, respectively. In the fall of 2008, we received Requests for Additional Information (which we refer to as **RAI**) for the technical review from the NRC. We submitted the response to this RAI, consisting of answers with supporting data, to the NRC during March 2009. This return of information and data will allow the NRC to progress with the review, which should ultimately lead to the issuance of the required Source Materials License that allows us to receive, possess, use, transfer, and deliver radioactive materials. We also received RAIs from the NRC for the environmental portion of the application review on March 12, 2009. We submitted responses to the environmental RAIs in May 2009. The WDEQ is currently conducting their detailed review of the Permit to Mine application, and both the NRC and WDEQ applications are progressing through the regulatory review process. Approval of the permit applications is expected to allow us to proceed with commercial advancement of the two properties.

The mine plan for the Nichols Ranch ISR Uranium Project includes a central processing facility at our Nichols Ranch property and a satellite ion exchange facility at our Hank property. The ultimate production level from these two properties is planned to be in the range of 600,000 to 800,000 pounds per year (as U_3O_8). The central processing facility is planned for a licensed capacity of 2 million pounds per year of uranium (as U_3O_8) and it is intended that it will process uranium-bearing well-field solutions from Nichols Ranch, as well as uranium-loaded resin transported from the Hank satellite facility, plus uranium-loaded resin from any additional satellite deposits that may be developed on our other Powder River Basin properties. We believe this centralized design enhances the economics of our potential additional satellite projects by maximizing production capacity while minimizing further capital expenditures on processing facilities. The project is progressing through detailed engineering and design.

In anticipation of receiving all the approvals necessary to mine in 2010, we have commenced a marketing program for conditional sales of uranium from our Nichols Ranch ISR Uranium Project. On July 23, 2009, we announced that we entered into a sales agreement with Exelon Generation Company, LLC for the sale of uranium over a five year period for defined pricing. On August 17, 2009 we announced the second contract for the sale of uranium to a U.S. utility over five years, with a pricing structure that contains references to both spot and long-term prices and includes a floor and ceiling price.

During the winter of 2008/09, leach amenability studies were performed on sample cores obtained from the Doughstick and South Doughstick properties. Standard ISR leach bottle roll tests were conducted on the samples by Energy Laboratories in Casper, Wyoming. The leach amenability studies intend to demonstrate that the uranium mineralization is capable of being leached using conventional ISR chemistry. The leach solution was prepared using sodium bicarbonate as the source of the carbonate complexing agent. Hydrogen peroxide was added as the uranium oxidizing agent. The study is an indication of the ore's reaction rate and the potential uranium recovery. The test results showed the uranium recovery percentage for South Doughstick as 87.8%, and the uranium recovery percentage for Doughstick as 77.1%. The 88% and 77% results are greater than the 73% that Uranerz used in its Preliminary (Economic) Assessment of the Nichols Ranch Uranium ISR Project. Doughstick and South Doughstick properties are located approximately two miles south of Nichols Ranch.

Recent Developments

During August 2009, we decided to forfeit our interests in certain mining claims which we determined, based on the review, analysis and recommendations of its geological staff, did not merit further exploration and accordingly were no longer of strategic interest or value to the Company. The claims, which were forfeited, effective

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September 1, 2009, when the annual renewal fee would have become due, were comprised of: 285 claims in which we had held a 100% interest in the Streeter, Collins Draw, East Nichols, North Nichols, Eagle and Cyclone Rim project areas and 132 claims in the Little Butte and South Collins project areas, in which we held an 81% interest through the Arkose Mining Venture.

On October 13, 2009, we filed an amended and restated technical report entitled "Technical Report, South Doughstick Property, Campbell and Johnson Counties, Wyoming, U.S.A." prepared by Douglass H. Graves, PE of TREC, Inc. and dated October 12, 2009. The technical report was amended after we discovered that the Arkose Mining Venture does not control 100 percent of the fee mineral interests on the west one half of Section 29 in the South Doughstick project area. We recently discovered that the Arkose Mining Venture's interest is subject to a 50 percent interest for the minerals on the west one half of Section 29. This has resulted in 50% decrease in the mineralized material for that section (a decrease of approximately 18% of the mineralized material for the total South Doughstick project) as reported in the previous technical report, dated August 11, 2009.

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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. For a more complete description of our shares of common stock, see the section entitled "Description of Common Stock" in this prospectus supplement and the accompanying base prospectus.

Issuer:	Uranerz Energy Corporation
Offering:	Up to 10,000,000 Units Each Unit consists of one Share and one half of one Warrant.
Warrants:	Each whole 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 \$3.00. The Warrants will be freely transferable, subject to the terms and conditions of the Warrant Indenture. In the event that our shares of common stock trade in the United States at a closing price of greater than \$3.50 per share for a period of 20 consecutive trading days at any time following the closing of this offering, we may accelerate the expiry date of the Warrants by giving notice via a press release to the holders thereof and in such case the Warrants will expire on the 30th day after the date on which such notice is given by us. See section entitled "Description of Warrants" in this prospectus supplement.
Amount:	Up to \$20,000,000
Price to the Public:	\$2.00 per Unit
Agents' Option:	We have granted to the placement agents an Agents' Option, exercisable in whole or in part, at the sole option of Dahlman Rose & Company, LLC and Haywood Securities Inc., on behalf of the placement agents, at any time up to two business days prior to the closing of the offering to place up to 1,500,000 additional Units at the public offering price (15% of the Units issued under the offering).
Shares of Common Stock Outstanding⁽¹⁾:	Prior to the offering: 55,694,887 shares of common stock After the offering: 65,694,887 shares of common stock ⁽²⁾
Placement Agents' Fee:	We have agreed to pay the placement agents a fee equal to \$0.12 for each Unit sold pursuant to the offering. See the section entitled "Plan of Distribution" in this prospectus supplement.

Use of Proceeds:

The net proceeds from the sale of the Units in this offering are estimated to be approximately \$18.49 million (\$21.31 million if the Agents' Option is exercised in full), after deducting the placement agents' fee and estimated offering expenses. We intend to use the net proceeds from this offering: (i) to continue development of commercial mining facilities at our Nichols Ranch project, including site and infrastructure preparations, finalization of mine design and completion of engineering and construction drawings, (ii) for further exploration of our properties and the Arkose Mining Venture's properties in the Powder River Basin,

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