

February 4, 2008

UR-ENERGY INC. (URE-T, \$2.11)**Bart Jaworski, P.Geo. (604) 659-8282**bart.jaworski@raymondjames.ca**Update on 2007 Drill Program at Lost Creek**

Stock Price	\$2.11
↑ Stock Rating	OUTPERFORM 2
= 6-12 Month Target	\$3.40
Dividend Yield	n/a
Target Total Return	61%
Market Capitalization (mln)	\$193
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4-Week MA Daily Volume	533,650
= NAV per Share	\$2.77
Working Capital per Share	\$0.96
Shares Outstanding (mln)	91.7
Fully Diluted (mln)	99.5

• **Drill Program Update.** On Friday, Ur-Energy announced the results of the 2007 drilling program for its Lost Creek Wyoming Project. The drill program was conducted in two phases, with Phase 1 completed in mid September 2007, and Phase 2 completed in early December 2007.

• **Lost Creek Project.** The Lost Creek project covers an area of approximately 4,220 acres of land in northeastern Sweetwater County, Wyoming. The project contains indicated resources of 9.8 million pounds of uranium at a 0.058% grade and inferred resources of 1.1 million pounds of uranium at a 0.076% grade.

• **Lost Creek Drill Program.** In total, 195 delineation holes, 58 pump-test and baseline monitor wells and 2 water wells were drilled. Of the total 255 holes drilled, 151 (59%) contained ore quality mineralization, defined as greater or equal to 0.30GT (grade x thickness), 56 (22%) returned strong mineralization, defined as greater or equal to 0.15GT, and 48 (19%), returned weak mineralization, defined as less than 0.15GT. It was also announced that one of the two water wells, which was drilled roughly 0.8 kilometres from the main mineral trend, returned 0.075% in the UHJ horizon, indicating potential for extension of the known mineral trend. To date, approximately three-quarters of the first production mine unit has been defined. The remaining quarter will be delineated in the early stages of the 2008 drilling program.

• **Update on Exploration Projects.** The company also announced results for the 2007 drill program on its Great Divide Basin exploration projects. Six holes were drilled on the company's RS project, with the last two drill holes returning mineralization, suggesting that drilling had been progressing in the direction of a potential mineral trend. Three holes were drilled at the company's EN project. Results confirmed mineralization in the target zone. 30 holes were drilled at the LC North project, with 7 holes (23%) returning ore quality mineralization and 12 holes (40%) returning strong mineralization.

• **Outlook.** We are pleased with results of the drill programs at Lost Creek and the company's exploration targets. Particularly encouraging is the potential to increase the mineral trend at Lost Creek. Furthermore, we are encouraged by management's ability to remain on schedule with its Lost Creek development plans and potential start-up date. We look forward to additional results as the 2008 drill program begins.

• **Potential Catalysts.** Looking ahead, we expect: (a) completion of an in-house pre-feasibility study on Lost Creek in early 2008; (b) listing on the AMEX by mid 2008; (c) filing of a Well Fit Application by mid 2008, with receipt of license by the end of 2008; (d) construction beginning on Lost Creek infrastructure by late 2008; (e) receipt of the NRC license in early 2009; (f) initiation of construction of the plant in mid 2009; and (g) production from Lost Creek by late 2009.

• **Target and Rating.** We are revising our rating to OUTPERFORM (from MARKET PERFORM) given the 61% return to our target. Our \$3.40 target is unchanged. Our target is predicated on a blended average of: (i) a 1.3x P/NAV multiple and a \$2.77 NAVPS estimate, (ii) a takeout value of US\$18/lb value for URE's attributable resource of 24.9 million pounds U308, and (iii) a 16x P/E multiple applied to our 2009 estimated EPS of \$0.03.

All figures in C\$ unless otherwise noted.

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Strong Buy 1: the stock is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six months.

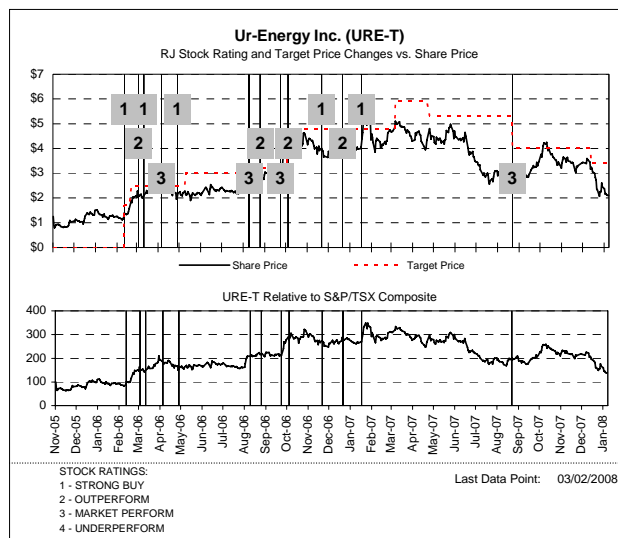
Outperform 2: the stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months.

Market Perform 3: the stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.

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