

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2010 Commission File Number 001-33905

UR-ENERGY INC.

(Exact name of Registrant as specified in its charter)

Canada
(Province or Other Jurisdiction of
Incorporation or Organization)

1040
(Primary Standard Industrial Classification
Code No.)

Not Applicable
(I.R.S. Employer
Identification No.)

10758 W. Centennial Road, Suite 200
Littleton, Colorado 80127
(720) 981-4588

(Address and telephone number of Registrant's principal executive offices)

Roger Smith
10758 W. Centennial Road, Suite 200
Littleton, Colorado 80127
(720) 981-4588

(Name, address (including zip code) and telephone number
(including area code) of agent for service in the United States)

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

Title of Each Class:

Common Shares, no par value

Name of Each Exchange On Which Registered:

NYSE Amex

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

Annual Information Form

Audited Annual Financial Statements

At December 31, 2010, the Registrant had outstanding 101,998,012 common shares without par value.

Indicate by check mark whether the Registrant by filing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the file number assigned to the registrant in connection with such rule. Yes 82-____ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

DOCUMENTS INCORPORATED BY REFERENCE

The Annual Information Form (“AIF”) of Ur-Energy Inc. (the “Registrant” or the “Company”) for the fiscal year ended December 31, 2010 is incorporated herein by reference.

The audited consolidated financial statements of the Company for the years ended December 31, 2010 and 2009, including the report of the auditors with respect thereto, are incorporated herein by reference. For a reconciliation of important differences between Canadian generally accepted accounting principles (“Canadian GAAP”) and United States generally accepted accounting principles (“U.S. GAAP”), see Note 16 to the Company’s audited consolidated financial statements.

The Company’s management’s discussion and analysis (“MD&A”) for the year ended December 31, 2010 is incorporated herein by reference.

EXPLANATORY NOTE

The Company is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) on Form 40-F. The Company is a “foreign private issuer” as defined in Rule 3b-4 under the Exchange Act. Accordingly, the Company’s equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Company prepares its financial statements in accordance with Canadian GAAP, and is subject to Canadian auditing and auditor independence standards. Accordingly, the financial statements of the Company included in this report may not be comparable to financial statements of United States companies. Significant differences between Canadian GAAP and U.S. GAAP are described in Note 16 to the audited consolidated financial statements of the Company included in this report.

Unless otherwise indicated, all dollar amounts are reported in Canadian dollars.

FORWARD LOOKING STATEMENTS

This annual report on Form 40-F contains “forward-looking statements” within the meaning of applicable United States and Canadian securities laws. Shareholders can identify these forward-looking statements by the use of words such as “expect”, “anticipate”, “estimate”, “believe”, “may”, “potential”, “intends”, “plans” and other similar expressions or statements that an action, event or result “may”, “could” or “should” be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) the technical and economic viability of the Lost Creek Project (including the projections contained in the preliminary analysis of economics of the Lost Creek Project); (ii) the Company’s belief that it will have sufficient cash to fund its capital requirements; (iii) receipt of (and related timing of) a U.S. Nuclear Regulatory Commission Source and Byproduct Materials License; Wyoming Department of Environmental Quality Permit and License to Mine; Record of Decision from the U.S. Bureau of Land Management, and all other necessary permits related to the Lost Creek Project; (iv) the Lost Creek Project will advance to production and the production timeline; (v) production rates, timetables and methods of recovery at the Lost Creek Project; (vi) the Company’s procurement and construction plans at the Lost Creek Project; (vii) the ability to complete additional uranium sales agreements, and upon what terms; (viii) the prospect for further development of, and the licensing and permitting process for Lost Soldier; (ix) the potential of new exploration targets on the LC North and LC South properties and on the Lost Creek Project area outside the current Lost Creek resource area; (x) timing, completion, and funding for and results of further exploration programs at the Bootheel Project and Hauber Project, and the leased lands in the Nebraska exploration prospect; and (xi) future exploration and results at the Screech Lake project. The exploration targets at the LC North and LC South properties and on the Lost Creek project area outside the current Lost Creek resource area are conceptual in nature only. There has been insufficient exploration to define a mineral resource at these new exploration targets. It is uncertain if further exploration will result in the target(s) being delineated as a mineral resource. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with startup), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals; expansion and growth of the business and operations; plans and references to the Company’s future successes; the Company’s history of operating losses and uncertainty of future profitability; the Company’s status as an exploration stage corporation; the Company’s lack of mineral reserves; the hazards associated with mining construction and production; compliance with environmental laws and regulations; risks associated with obtaining permits in the United States and Canada; risks associated with current variable economic conditions; the possible impact of future financings; uncertainty regarding the pricing and collection of accounts; risks associated with dependence on sales in foreign countries; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with the Canada Revenue Agency’s audit of any of the Company’s cross border transactions; adverse changes in general business conditions in any of the countries in which the Company does business; changes in the Company’s size and structure; the effectiveness of the Company’s management and its strategic relationships; risks associated with the Company’s ability to attract and retain key personnel; uncertainties regarding the Company’s need for additional capital; uncertainty regarding the fluctuations of the Company’s quarterly results; uncertainties relating to the Company’s status as a non-U.S. corporation; uncertainties related to the volatility of the Company’s share price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Company’s listing on the NYSE Amex LLC (“NYSE Amex”) and Toronto Stock Exchange (“TSX”); risks associated with the Company’s expected classification as a “passive foreign investment company” under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company’s status as a “controlled foreign corporation” under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company’s investments and other risks and uncertainties described under the heading “Risk Factors” of the AIF.

RESERVES AND RESOURCES

The terms “mineral resource,” “measured mineral resource,” “indicated mineral resource” and “inferred mineral resource,” as used in the Company’s disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves (“CIM Standards”), adopted by the CIM Council on November 23, 2003, as amended. These Canadian terms are not defined terms under United States Securities and Exchange Commission (“SEC”) Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC by U.S. registered companies. The SEC permits U.S. companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Accordingly, note that information contained in this disclosure describing the Company’s “mineral resources” is not directly comparable to information made public by U.S. companies subject to reporting requirements under U.S. securities laws (wherein “reserves,” and not “resources,” may be disclosed and discussed). Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically minable.** U.S. investors are urged to consider closely the disclosure in our disclosure documents which may be secured from us, or online at <http://www.sec.gov/edgar.shtml> or www.sedar.com.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided under the heading “Evaluation of Disclosure Controls and Procedures” (page 21) contained in the MD&A is incorporated by reference herein.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading "Management's Report On Internal Control Over Financial Reporting" (page 21) contained in the MD&A is incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided under the heading "Changes In Internal Control Over Financial Reporting" (page 21) contained in the MD&A is incorporated by reference herein.

CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE Amex. Section 110 of the NYSE Amex Company Guide permits companies with countries of origin or incorporation other than the United States to follow home country practices in lieu of complying with certain provisions of the NYSE Amex Company Guide. A foreign private issuer that follows home country practices in lieu of certain provision of the NYSE Amex Company Guide must disclose any significant ways in which its corporate governance practices differ from those followed by domestic companies pursuant to the standards of the Canadian Securities Administrators and TSX either on its website or in the management proxy circular that it distributes to shareholders in the United States. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE Amex standards is as follows:

Shareholder Meeting Quorum Requirement: The NYSE Amex recommends that a quorum of at least 33 1/3% of shares issued and outstanding and entitled to vote be required for shareholder action. The Company's quorum requirement is set forth in its Articles and By-laws. A quorum for a meeting of members of the Company is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 10% of the shares entitled to be voted at the meeting.

Proxy Delivery Requirement: The NYSE Amex requires the solicitation of proxies and distribution of proxy statements for all shareholder meetings, and requires that proxies be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the Company is accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

The foregoing are consistent with the laws, customs and practices in Canada.

DIRECTOR INDEPENDENCE

The Company's Board of Directors consists of the following individuals: W. William Boberg, James Franklin, Jeffrey T. Klenda, Paul Macdonell and Thomas Parker. The Company's Board of Directors has determined that Messrs. Franklin, Macdonell, and Parker are "independent" under the criteria established by NYSE Amex.

AUDIT COMMITTEE IDENTIFICATION AND FINANCIAL EXPERT

The information provided in the AIF is incorporated by reference herein. The Company's Board of Directors has determined that Thomas Parker, a member of the Audit Committee, is an "audit committee financial expert" within the meaning of the Commission's rules. Mr. Parker is "independent" under the criteria established by NYSE Amex.

CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions. A copy of the Company's Code of Business Conduct and Ethics has been posted on the Company's Internet website at <http://www.ur-energy.com/corporate-governance/>. No substantive amendments were made to the Company's Code of Business Conduct and Ethics during the fiscal year ended December 31, 2010, and no waivers of the Company's Code of Business Conduct and Ethics were granted to any principal officer of the Company or any person performing similar functions during the fiscal year ended December 31, 2010.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information provided under the heading "Audit Committee – External Auditors and Service Fees" (page 41) contained in the AIF is incorporated by reference herein.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITOR

The Audit Committee has instituted a policy to pre-approve audit and non-audit services. The Chair of the Audit Committee is given limited delegated authority from time to time by the Audit Committee to pre-approve permitted non-audit services.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table presents, as at December 31, 2010, the Company's known contractual obligations, aggregated by type of contractual obligation as set forth below:

	As of December 31, 2010				
	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
	\$	\$	\$	\$	\$
Operating Lease commitments	156,074	96,428	—	—	252,502
Asset retirement obligations ⁽¹⁾	11,892	—	—	491,209	503,101
Purchase obligations	1,320,519	—	—	—	1,320,519
Total	1,488,485	96,428	—	491,209	2,076,122

- (1) Asset retirement obligations include estimates about future reclamation costs, mining schedules, timing of the performance of reclamation work, obtaining permits on a timely basis and the quantity of ore reserves, an analysis of which determines the ultimate closure date and impacts the discounted amounts of future asset retirement liabilities. The amounts shown above are undiscounted to show full expected cash requirements

UNDERTAKINGS

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company is concurrently filing with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

UR-ENERGY INC.

/s/ Roger L. Smith

Roger L. Smith
Chief Financial Officer

Date: March 18, 2011

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this annual report on Form 40-F.

<u>Exhibit</u>	<u>Description</u>
99.1	Annual Information Form for the Fiscal Year ended December 31, 2010
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operation for the Fiscal Year ended December 31, 2010
99.3	Consolidated Financial Statements for the Fiscal Year ended December 31, 2010
99.4	Certification of Chief Executive Officer pursuant to Rule 31a-14(a) of 15d-14 of the Securities Exchange Act of 1934
99.5	Certification of Chief Financial Officer pursuant to Rule 31a-14(a) of 15d-14 of the Securities Exchange Act of 1934
99.6	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
99.7	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
99.8	Consent of Pricewaterhouse Coopers LLP
99.9	Consent of Douglass H. Graves, P.E. of TREC, Inc.
99.10	Consent of Matthew J. Yovich, P.E. of TREC, Inc.
99.11	Consent of Robert D. Maxwell, CPG of Behre Dolbear & Company (USA), Inc.
99.12	Consent of C. Stewart Wallis, P.Geol, of Sundance Geological Ltd.



UR-ENERGY INC.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2010

March 17, 2011

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PRELIMINARY NOTES

Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form (“AIF”) of Ur-Energy Inc. (“Ur-Energy” or the “Corporation”) is as of March 17, 2011.

Financial Information

All financial information in this AIF is prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

Currency

All references in this AIF to “dollars” or “\$” are to Canadian dollars, unless otherwise indicated.

Forward-Looking Information

This AIF contains “forward-looking statements” within the meaning of applicable United States and Canadian securities laws, and these forward-looking statements can be identified by the use of words such as “expect”, “anticipate”, “estimate”, “believe”, “may”, “potential”, “intends”, “plans” and other similar expressions or statements that an action, event or result “may”, “could” or “should” be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Corporation’s actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) the technical and economic viability of the Lost Creek Project (including the projections contained in the preliminary analysis of economics of the Lost Creek Project); (ii) the Corporation’s belief that it will have sufficient cash to fund its capital requirements; (iii) receipt of (and related timing of) a U.S. Nuclear Regulatory Commission Source and Byproduct Materials License; Wyoming Department of Environmental Quality Permit and License to Mine, Record of Decision from the U.S. Bureau of Land Management, and all other necessary permits related to the Lost Creek Project; (iv) the Lost Creek Project will advance to production and the production timeline; (v) production rates, timetables and methods of recovery at the Lost Creek Project; (vi) the Corporation’s procurement and construction plans at the Lost Creek Project; (vii) the ability to complete additional uranium sales agreements, and upon what terms; (viii) the prospect for further development of, and licensing and permitting process for Lost Soldier; (ix) the potential of new exploration targets on the LC North and LC South and on the Lost Creek Project area outside the current Lost Creek resource area; (x) timing, completion, and funding for and results of further exploration programs at the Bootheel Project and Hauber Project, and the leased lands in the Nebraska exploration prospect; and (xi) further exploration and results at the Screech Lake project. The exploration targets at LC North and LC South properties and on the Lost Creek Project area outside the current Lost Creek resource area are conceptual in nature only. There has been insufficient exploration to define a mineral resource at these new exploration targets. It is uncertain if further exploration will result in the target(s) being delineated as a mineral resource. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with startup), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals; expansion and growth of the business and operations; plans and references to the Corporation’s future successes; the Corporation’s history of operating losses and uncertainty of future profitability; the Corporation’s status as an exploration stage corporation; the Corporation’s lack of mineral reserves; the hazards associated with mining construction and production; compliance with environmental laws and regulations; risks associated with obtaining permits in the United States and Canada; risks associated with current variable economic conditions; the possible impact of future financings; uncertainty regarding the pricing and collection of accounts; risks associated with dependence on sales in foreign countries; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with the Canada Revenue Agency’s audit of any of the Corporation’s cross border transactions; adverse changes in general business conditions in any of the countries in which the Corporation does business; changes in the Corporation’s size and structure; the effectiveness of the Corporation’s management and its strategic relationships; risks associated with the Corporation’s ability to attract and retain key personnel; uncertainties regarding the Corporation’s need for additional capital; uncertainty regarding the fluctuations of the Corporation’s quarterly results; uncertainties relating to the Corporation’s status as a non-U.S. corporation; uncertainties related to the volatility of the Corporation’s share price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Corporation’s listing on the NYSE Amex LLC (“NYSE Amex”) and Toronto Stock Exchange (“TSX”); risks associated with the Corporation’s expected classification as a “passive foreign investment company” under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Corporation’s status as a “controlled foreign corporation” under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Corporation’s investments and other risks and uncertainties described under the heading “Risk Factors” of this AIF.

Cautionary Note to U.S. Investors Concerning Resource Estimates

The terms “mineral resource,” “measured mineral resource,” “indicated mineral resource” and “inferred mineral resource,” as used in the Corporation’s disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves (“CIM Standards”), adopted by the CIM Council on November 23, 2003, as amended. These Canadian terms are not defined terms under United States Securities and Exchange Commission (“SEC”) Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC by U.S. registered companies. The SEC permits U.S. companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Accordingly, note that information contained in this disclosure describing the Corporation’s “mineral resources” is not directly comparable to information made public by U.S. companies subject to reporting requirements under U.S. securities laws (wherein “reserves,” and not “resources,” may be disclosed and discussed). Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically minable.** U.S. investors are urged to consider closely the disclosure in our disclosure documents which may be secured from us, or online at <http://www.sec.gov/edgar.shtml> or www.sedar.com.

Metric/Imperial Conversion Table

The imperial equivalents of the metric units of measurement used in this AIF are as follows:

Imperial Measure	Metric Unit	Metric Unit	Imperial Measure
0.03215 troy ounces	1 gram	31.1 grams	1 troy ounce
2.4711 acres	1 hectare	0.4047 hectares	1 acre
2.2046223 pounds	1 kilogram	0.453592 kilograms	1 pound
0.62139 miles	1 kilometer	1.609 kilometers	1 mile
3.2080 feet	1 meter	0.3048 meters	1 foot
1.1023 short tons	1 tonne	34.28 grams/tonne	1 short ton

Currency Exchange Rates

The following table sets out the exchange rates for currencies expressed in terms of equivalent Canadian dollars for one US dollar:

Canadian dollar	Years ended December 31,					
	2006	2007	2008	2009	2010	
End of period	\$ 1.16640	\$ 0.98200	\$ 1.22280	\$ 1.04940	\$ 1.00020	
Average for the period	\$ 1.13461	\$ 1.07440	\$ 1.06669	\$ 1.14172	\$ 1.03075	

Canadian dollar	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
High for the month	\$ 1.06700	\$ 1.03650	\$ 1.02630	\$ 1.02860	\$ 1.00330	\$ 0.99700
Low for the month	\$ 1.01920	\$ 0.99780	\$ 0.99770	\$ 0.99730	\$ 0.98360	\$ 0.97650

Exchange rates are the historical interbank foreign exchange rates for the appropriate period as quoted by OANDA Corporation ("OANDA") on its website www.oanda.com. The rate quoted by OANDA for the conversion of United States dollars into Canadian dollars on March 17, 2011 is CDN\$0.9861 = US\$1.00.

Uranium Prices

Unlike other commodities, uranium does not trade on an open market. Contracts are negotiated privately by buyers and sellers. Uranium prices are published by two of the leading industry-recognized independent market consultants The Ux Consulting Company, LLC and TradeTech, LLC who publish on their respective websites. The following information reflects an average of the per pound prices published by these two consulting groups for the timeframe indicated:

12/31 of [year]	2007		2008		2009		2010	
Spot price (US\$)	\$	89.50	\$	52.50	\$	44.50	\$	62.25
LT price (US\$)	\$	95	\$	70	\$	61	\$	66

End of [month]	Aug 2010	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
Spot price (US\$)	\$ 45.25	\$ 46.63	\$ 52.00	\$ 60.63	\$ 62.25	\$ 72.63	\$ 69.63
LT price (US\$)	\$ 60	\$ 61	\$ 62	\$ 65	\$ 66	\$ 71.50	\$ 71.50

THE CORPORATION

Name, Address and Incorporation

Ur-Energy is a corporation continued under the *Canada Business Corporations Act* on August 8, 2006. The registered office of the Corporation is located at 55 Metcalfe Street, Suite 1300, Ottawa, Ontario K1P 6L5. The Corporation's United States headquarters is located at 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127. The Corporation also has offices at 5880 Enterprise Drive, Suite 200, Casper, Wyoming 82609 and 341 Main Street North, Suite 206, Brampton, Ontario L6X 3C7. The Common Shares are listed on the TSX under the symbol "URE" and on the NYSE Amex under the symbol "URG."

Intercorporate Relationships

The Corporation has three wholly-owned subsidiaries: Ur-Energy USA Inc. ("Ur-Energy USA"), a company incorporated under the laws of the State of Colorado; ISL Resources Corporation ("ISL"), a company incorporated under the laws of the Province of Ontario; and CBM-Energy Inc. ("CBM"), a company incorporated under the laws of the Province of Ontario. CBM is a shell company with no assets or liabilities other than those related to its incorporation.

ISL has one wholly-owned subsidiary, ISL Wyoming, Inc., a company incorporated under the laws of the State of Wyoming.

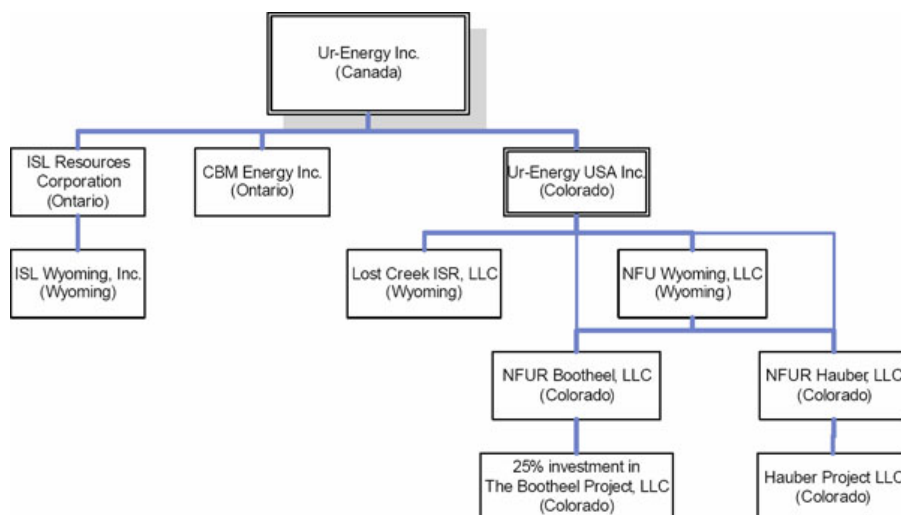
Ur-Energy USA has two wholly-owned subsidiaries: NFU Wyoming, LLC ("NFU Wyoming"), a limited liability company formed under the laws of the State of Wyoming to facilitate the Corporation's acquisition of certain property and assets; and, Lost Creek ISR, LLC, a limited liability company formed under the laws of the State of Wyoming to hold and operate the Corporation's Lost Creek Project properties and assets.

Ur-Energy USA has two jointly held subsidiaries with NFU Wyoming: NFUR Bootheel, LLC, a limited liability company formed under the laws of the State of Colorado to facilitate the Corporation's participation in an exploration, mining and development agreement with Crosshair Exploration & Mining Corp.; and NFUR Hauber, LLC, a limited liability company formed under the laws of the State of Colorado to facilitate the Corporation's participation in a venture project at its Hauber Project, in which NCA Nuclear, Inc., a subsidiary of Bayswater Uranium Corp. is the earn-in member and Manager.

NFUR Hauber has one wholly-owned subsidiary: Hauber Project LLC, a limited liability company formed under the laws of the State of Colorado to hold the Corporation's Hauber project and facilitate the venture with Bayswater Uranium Corp. for exploration of the Hauber project.

NFUR Bootheel has one wholly-owned subsidiary: The Bootheel Project, LLC, a limited liability company formed under the laws of the State of Colorado to hold the Corporation's Bootheel project and the venture formed with Crosshair Exploration & Mining Corp., in which the Corporation owns a 25% interest.

The principal direct and indirect subsidiaries of the Corporation and the jurisdictions in which they were incorporated or organized are set out below:



GENERAL DEVELOPMENT OF THE BUSINESS

Incorporated on March 22, 2004, Ur-Energy is an exploration stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The registered office of the Corporation is in Ottawa, Ontario and the corporate headquarters is located in Littleton, Colorado. Ur-Energy also maintains an operations office in Casper, Wyoming and an exploration office in Brampton, Ontario. At December 31, 2010, the Corporation's U.S. subsidiary, Ur-Energy USA, employed 48 persons, in its Littleton, Colorado (24) and Casper, Wyoming (24) offices. None of the other subsidiaries currently has any employees.

The Corporation's current land portfolio includes 13 projects in the United States and three exploration projects in Canada. Ten of the U.S. projects are in the Great Divide Basin, Wyoming, of which two (Lost Creek Project and Lost Soldier) contain defined resources that the Corporation expects to advance to production. The Corporation's other U.S. projects include additional properties in Wyoming, and approximately 35,000 acres (14,164 hectares) of leased lands for exploration prospects in Nebraska. The Corporation has two properties in the Northwest Territories, Canada and one property in Nunavut, Canada. Collectively, the Corporation's landholdings total approximately 90,000 acres (36,422 hectares) in the U.S. and approximately 140,000 acres (56,656 hectares) in Canada.

Lost Creek Property – Great Divide Basin, Wyoming

The Corporation currently controls a total of 1,753 unpatented mining claims and two State of Wyoming sections for a total of nearly 34,000 mineral acres in the area of Lost Creek, including the Lost Creek permit area (the "Lost Creek Project") and certain adjoining properties comprising LC North, LC South, EN and Toby project areas (collectively, with the Lost Creek Project, the "Lost Creek Property").

The Lost Creek uranium deposit is located in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometers) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 meters) and 700 feet (213 meters) in depth. Lost Creek was acquired by the Corporation in 2005. The permit area of the Lost Creek Project covers 4,254 acres (1,722 hectares), comprising 201 lode mining claims and one State of Wyoming section. A royalty on future production of 1.67% is in place with respect to 20 claims of the Lost Creek Project. Since 2005, the exploration, development and permitting of the Lost Creek Project has progressed. Ur-Energy has drilled 1,096 holes and monitor wells at the project.

Design work for the initial mine units and plant facilities has been completed, a construction contractor chosen and procurement of long lead-time equipment initiated. The progression of exploration and development of Lost Creek Project in anticipation of proceeding to production is further discussed below in "Business of Ur-Energy – Lost Creek Property."

Beginning in 2007, the Corporation has proceeded with required permitting and licensure through its applications for a Source and Byproduct Materials License from the U.S. Nuclear Regulatory Commission ("NRC"); a Plan of Operations with the United States Bureau of Land Management ("BLM"); and a Permit and License to Mine from the Wyoming Department of Environmental Quality ("WDEQ"), as well as all other required authorizations from federal, state and local agencies. Several permits have been issued in final or draft form, and other milestones achieved in the permitting process. These regulatory developments are further discussed below in "Business of Ur-Energy – Lost Creek Property."

As confirmed in a March 16, 2011, National Instrument 43-101 ("NI 43-101") Technical Report on Lost Creek, "*Preliminary Assessment Lost Creek Property Sweetwater County Wyoming*," (the "2011 Preliminary Assessment") the reported mineral resources support the economic viability and continued development to mine production of the Lost Creek Project. The 2011 Preliminary Assessment reports on two calculations of mineral resource estimate, performing an economic analysis on the GT-contour method resource estimate which has been determined to be better suited to detailed mine development and planning, for the current stage of development at Lost Creek Project. Based upon the GT-contour method, the 2011 Preliminary Assessment reports NI 43-101 compliant resources at Lost Creek project, are 2.66 million pounds eU_3O_8 of Measured Mineral Resources contained in 2.54 million tons, at an average grade of 0.052 percent eU_3O_8 ; 2.57 million pounds eU_3O_8 of Indicated Mineral Resources, contained in 2.20 million tons, at an average grade of 0.060 percent eU_3O_8 ; and 0.78 million pounds eU_3O_8 of Inferred Mineral Resources, contained in 0.77 million tons, at an average grade of 0.051 percent eU_3O_8 .

The 2011 Preliminary Assessment also includes a calculation of a mineral resource estimate using a modified polygonal method – a methodology typically applied to exploration-level projects, and which was the method chosen for earlier reporting (2005, 2006, 2008) of mineral resources estimates on the Lost Creek project. The modified polygonal method calculation included in the 2011 Preliminary Assessment reports a mineral resource estimate of 8.44 million pounds, contained in 8.58 million tons, at a grade of 0.049% eU_3O_8 , as an Indicated Mineral Resource, and 2.04 million pounds contained in 2.01 million tons, at a grade of 0.051% eU_3O_8 as an Inferred Mineral Resource. An additional 0.53 million pounds, contained in 0.57 million tons at a grade of 0.046% eU_3O_8 as an Inferred Mineral Resource is reported from numerous 'outlier' areas to the deposit, all within the defined project (permit) area but outside the main zone of the deposit. While this resource estimate serves generally to validate the earlier project resource estimates, the Lost Creek Project has advanced significantly into the development phase of the project (e.g., delineation drilling; wellfield design and planning), that the GT-contour method resource estimate was deemed better suited for use as the resource estimate on which economic analysis would proceed.

The purpose of the 2011 Preliminary Assessment is to evaluate the technical and economic viability of Lost Creek Project using the scientific and technical information available at the time of the report. The report demonstrates both the technical and economic viability of the Lost Creek Project with the current level of available information on the mineral deposit. See also the extract of the 2011 Preliminary Assessment set forth below under "Business of Ur-Energy – Lost Creek Property."

Corporation's Projects Adjoining Lost Creek Project and Forming the Lost Creek Property

The Corporation currently controls a total of 1,753 unpatented mining claims and two State of Wyoming sections for a total of nearly 34,000 mineral acres in the area of Lost Creek, including the Lost Creek Project and the LC North, LC South, EN and Toby project areas. A royalty exists on future production from some claims within these project areas. These adjoining projects are discussed below in "Business of Ur-Energy – Lost Creek Property."

Lost Soldier Project – Great Divide Basin, Wyoming

The Lost Soldier project is located approximately 14 miles (22.5 kilometers) to the northeast of the Lost Creek Project. The property has over 3,700 historic drill holes defining 14 mineralized sandstone units. NI 43-101 compliant resources for Lost Soldier (Technical Report – Lost Soldier July 2006, by C. Stewart Wallis) are 5.0 million pounds of U₃O₈ at 0.064% as a Measured Mineral Resource, 7.2 million pounds of U₃O₈ at 0.065% as an Indicated Mineral Resource and 1.8 million pounds of U₃O₈ at 0.055% as an Inferred Mineral Resource. The NI 43-101 report is filed on the Corporation's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>. The Corporation maintains 143 lode mining claims at Lost Soldier, totaling approximately 2,710 mineral acres. A royalty of one per cent, which arises from a data purchase, is in place with respect to future production on certain claims within the project.

Ur-Energy continues to anticipate regulatory applications for Lost Soldier will be made after the Corporation obtains the Lost Creek Project licenses and permit to mine, and as corporate priorities are determined for the exploration and development of the Lost Creek adjoining properties.

Wyoming Ventures: The Bootheel Project, LLC and Hauber Project LLC

The Corporation has successfully ventured two of its Wyoming properties: the Bootheel and Hauber projects.

The Bootheel Project – Shirley Basin, Wyoming

Crosshair Exploration & Mining Corp. (TSX:CXX; NYSE Amex: CXZ) ("Crosshair") continues to advance The Bootheel Project working with a contractor, AATA International, to complete wildlife surveys and other baseline monitoring. Crosshair conducted its first meetings with the NRC in August 2010. The 2011 program and budget for the Bootheel Project are currently pending before the venture's management committee.

In 2009, Crosshair released an independent NI 43-101 resource estimate on the Bootheel property, which reports the Bootheel property contains an indicated resource of 1.09 million pounds U₃O₈ in 1.4 million short tons, at a grade of 0.038% U₃O₈, and an inferred resource of 3.25 million pounds U₃O₈ (in 4.4 million short tons) at an average grade of 0.037% U₃O₈. This NI 43-101 report was filed by Crosshair on www.sedar.com. Proposed exploration programs for 2011 are currently being evaluated by the venture's management committee.

Crosshair completed its earn-in of a 75% interest in the Corporation's subsidiary, The Bootheel Project, LLC in 2009. The interest arises from a venture agreement entered into by the Corporation and a subsidiary of Crosshair in June 2007. Crosshair's 75% interest was acquired by spending US\$3.0 million in qualified exploration costs, and issuance of a specified amount of stock to the Corporation. Ur-Energy has a 25% interest in The Bootheel Project, which is treated as an equity investment.

Under the terms of the 2007 agreement, the Corporation contributed its Bootheel and Buck Point properties, which cover areas of known uranium occurrences within the Shirley Basin. Crosshair completed agreements in 2008 for additional rights and leased lands in the Bootheel property area, in which the lessor has a 75% mineral interest in the net mineral acres. With the completion of those agreements, the Bootheel Project covers total defined areas at the Bootheel property and the Buck Point property of approximately 8,524 gross, and 7,895 net, mineral acres. Various royalties exist on future production of uranium and other minerals from the Bootheel Project.

Hauber Project - Black Hills Uplift, Wyoming

The Corporation's Hauber Project is located in Crook County, Wyoming and consists of 205 unpatented lode mining claims and one State of Wyoming uranium lease totaling approximately 4,570 mineral acres. Effective December 1, 2009, the Corporation entered into a venture operating agreement with NCA Nuclear Inc., a subsidiary of Bayswater Uranium Corp (TSX.V:BYU)("Bayswater"). Under the terms of the agreement, Bayswater joined the Hauber Project as the earn-in Member and Manager, and can earn a 75% interest by incurring eligible exploration expenditures of US\$1.0 million dollars over a four-year period.

In January 2010, Bayswater completed an independent NI 43-101 mineral resource estimate on the Hauber Project which concludes the properties hold approximately 1.45 million pounds eU₃O₈ indicated resources in 432,000 tons at an average grade of 0.17% eU₃O₈. Bayswater has filed the NI 43-101 report on www.sedar.com. As a part of its 2010 obligations under the Hauber Project venture agreement, Bayswater obtained necessary regulatory approvals and drilled two core drill holes for the purpose of testing in situ recovery amenability of the uranium mineralization in selected mineralized zones. Analysis of the drilling results is ongoing.

Additional U.S. Exploration Activities and Corporation Databases

In January 2011, the Corporation announced the expansion of its U.S. exploration activities into western Nebraska. The Corporation has leased approximately 35,000 acres (14,164 hectares)(not contiguous) for initial exploration to test new concepts in a geologic environment that is favorable for the discovery of uranium deposits. Over the past three years, an in-house team of senior geologists has conducted a detailed study mapping the subsurface geology and host formations. The study area covers eleven counties in western Nebraska and is based on data obtained primarily from the records of several thousand oil and gas well logs. The objective of the study was to identify potential uranium bearing paleo-channels in sandstone formations; these may contain deposits similar in nature to Cameco Resources' (TSX: COO) Crow Butte deposit in Dawes County, Nebraska. The Ur-Energy land position was chosen in areas with similar geologic characteristics to the Crow Butte deposit. The Crow Butte deposit is presently being mined by in-situ recovery (ISR) methods. The Corporation's exploration staff is planning for continued exploration of the leased lands.

Throughout 2010, the Corporation conducted various field exploration programs in the United States, and expects to continue such exploration work in 2011. Evaluation continues of the Corporation's historic exploration databases, in an effort to realize additional value from the databases. In 2009, Ur-Energy sold one such database to Peninsula Energy Ltd. (formerly, Peninsula Minerals Limited) for US\$1.0 million and a one percent production royalty on defined lands within an area of interest in Wyoming. The exploration databases contain data on lands controlled by the Corporation, as well as data related to lands controlled by third parties.

Canadian Exploration Properties

The Corporation has three properties in northern Canada: Screech Lake and Gravel Hill (approximately 35,000 acres (14,000 hectares)) in the Thelon Basin, Northwest Territories, and Bugs (approximately 45,000 acres (18,000 hectares)) in the Baker Lake Basin, Nunavut. The Corporation conducted a drilling and field exploration program in 2008 on the Bugs property, incurring total exploration and acquisition costs of approximately \$2.0 million.

The Screech Lake project in the Thelon Basin remains the Corporation's priority in Canada. The Corporation's landholdings at Screech Lake total more than 59,000 acres (24,000 hectares). Various exploration and field programs (sampling, geophysics, claims maintenance) have been conducted on the property since 2005, including a field program in 2009. Highly anomalous radon concentrations and trends have been identified. The coincidence of consistent high to extremely high radon with deep structure and conductivity combine to make the North Screech radon trend the primary focus of more advanced exploration on the Screech Lake project. An audio-magnetotelluric survey conducted in 2009 calculated depth measurements which will better define drill equipment requirements for future programs and defined, in part, near-surface unconformity targets and better definition of cross-structures.

Currently, no work is planned for the Canadian projects in 2011.

Technical Developments

On March 16, 2011, the Corporation filed a NI 43-101 Technical Report on Lost Creek, "*Preliminary Assessment Lost Creek Property Sweetwater County Wyoming*," (March 16, 2011) (the "2011 Preliminary Assessment") which reported that the mineral resources support the economic viability and continued development to mine production of the Lost Creek Project.

Prior to the completion and filing of the 2011 Preliminary Assessment, an amendment to the 2008 Lyntek Preliminary Assessment was filed February 25, 2011 on the Corporation's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>: *Amended NI 43-101 Preliminary Assessment for the Lost Creek Project Sweetwater County, Wyoming (April 2, 2008, amended February 25, 2011)* (Independent Qualified Persons C. Stewart Wallis, P.Ge., John I. Kyle, P.E., and Douglas K. Maxwell, P.E.). The 2008 Lyntek Preliminary Assessment was released in amended form following a review of the Preliminary Assessment by the Ontario Securities Commission, which required the correction of certain deficiencies under NI 43-101. The amended report included analysis and recalculation of the mineral resources of the project, with the inclusion of certain drill data generated from the project from June 2006 - March 2008 that was not previously included in the report. The 2008 Lyntek Preliminary Assessment now has been superseded by the 2011 Preliminary Assessment.

Board of Directors and Management Changes

Mr. Robert Boaz resigned as a director of the Corporation on May 4, 2010. Mr. Boaz had served as a director since March 2006. Following the resignation, Dr. James Franklin became a member of the Audit Committee of the Board of Directors.

During 2010, there were no management changes in the Corporation.

Corporate and Financing Developments

In March 2011, the Corporation announced that it has entered into its first uranium sales agreement relates to production from the Lost Creek Project. The long-term contract calls for deliveries over a three-year period at a defined price for the term of the agreement.

The Corporation announced on February 7, 2011 that it had entered into an agreement with a syndicate of underwriters (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, pursuant to a short form prospectus, 10,000,000 Common Shares of the Corporation at a price of \$3.00 per Common Share for gross proceeds of \$30,000,000 (the "Offering"). Closing of the Offering was delayed while the Corporation updated its continuous disclosure filings, including the preparation of an updated NI 43-101 Technical Report. Due to the delay, the prospectus for the Offering was withdrawn by the Corporation on March 11, 2011.

During 2010, the Corporation received \$3,519,257 from the exercise of 3,057,444 stock options. In 2011 through March 16, the Corporation has realized proceeds of \$3,156,365 from the exercise of 1,439,668 stock options.

The Corporation completed a brokered private placement financing May 31, 2010, under which the Corporation issued 5,000,000 common shares at a price of \$1.00 per share for gross proceeds of \$5,000,000. BlackRock, Inc., an insider of the Corporation, through one of its investment advisory subsidiaries, subscribed for all of the 5,000,000 Common Shares issued under the private placement.

On June 24, 2010, the shareholders of the Corporation approved the "Ur-Energy Inc. Restricted Share Unit Plan," ("RSU Plan") which had been adopted by the board of directors of the Corporation on May 7, 2010. The Corporation adopted the RSU Plan as part of the Corporation's overall stock-based compensation plan. The RSU Plan allows participants to receive restricted share units ("RSUs") and earn actual common shares of the Corporation over time, rather than options that give participants the right to purchase stock at a set price. The Corporation continues to have the Ur-Energy Inc. Amended and Restated Stock Option Plan 2005 ("Option Plan"), which was approved by the shareholders most recently in 2008. Combined, the Option Plan and the RSU Plan will provide that the maximum number of Common Shares available for issuance in the aggregate under both plans is equal to 10% of the number of Common Shares outstanding at the time of grant. The Corporation expects to allocate approximately 80% of the number of Common Shares eligible for grant to the Option Plan and approximately 20% of the number of Common Shares eligible for grant to the RSU Plan.

On April 28, 2009, at the Corporation's annual and special meeting of shareholders, the shareholders approved and ratified the Corporation's Shareholder Rights Plan which became effective on November 7, 2008. Through a Successor Rights Plan Agreement, effective as of January 1, 2010, the Successor Rights Agent is now Computershare Investor Services Inc.

In July 2008, the Corporation began trading on the NYSE Amex under the symbol "URG."

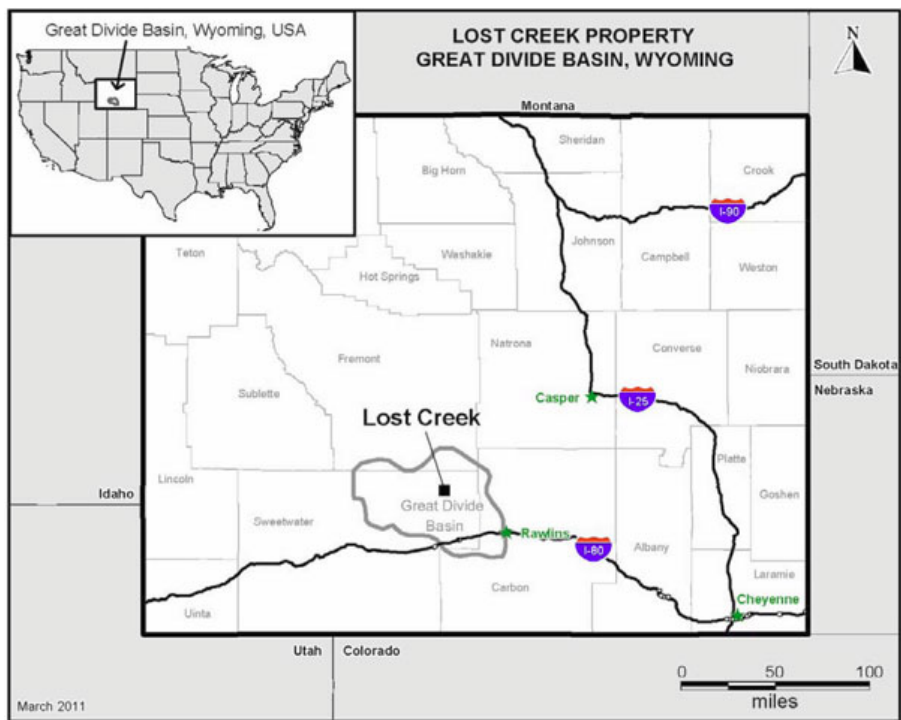
On March 26, 2008, Ur-Energy completed a non-brokered private placement flow-through financing of 1,000,000 common shares of the Corporation at a price of \$2.75 for aggregate gross proceeds of \$2,750,000. The financing enabled among other activities, a 2008 summer exploration program for Ur-Energy's Bugs Project in Nunavut, Canada including further prospecting, radon surveys and a drilling program which was completed in September 2008.

BUSINESS OF UR-ENERGY

The Corporation is a uranium exploration company currently in the process of completing mine planning and permitting activities to bring its Lost Creek Wyoming uranium deposit into production. Ur-Energy engages in the identification, acquisition, evaluation, exploration and development of uranium properties in the United States and in Canada.

The Corporation continues to actively pursue future growth opportunities by evaluating the acquisition of exploration, development or production assets as well as considering joint venture or similar projects for existing Corporation properties. At any given time, discussions and activities can be in process on a number of initiatives, each at different stages of development. Although the Corporation may from time to time be a party to letters of intent in respect of certain joint ventures opportunities and other acquisitions, the Corporation currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that any potential transaction will be successfully completed.

Lost Creek Property



Ur-Energy’s key priority is to advance its Lost Creek Project (located in the Great Divide Basin, Wyoming) into production, by completing all regulatory requirements while continuing design and development work in order that when all regulatory authorizations are received, construction may commence promptly. Achievement of these objectives depends upon the successful completion of various milestones and the timely issuance of remaining regulatory approvals.

Lost Creek Project Regulatory

Ur-Energy continues to focus its efforts on the regulatory processes necessary to obtain all required authorizations to mine uranium by in situ recovery (“ISR”) methods at the Lost Creek Project.

On January 11, 2011, the NRC issued the draft NRC Source and Byproduct Materials License (“NRC License”) for the Lost Creek Project. The Corporation continues to advance matters to obtain the final NRC License, which will comprise the license itself and the two required reports: the Safety Evaluation Report (“SER”) and the site-specific Supplemental Environmental Impact Statement (“SEIS”) for the project. The NRC has finalized the SER, although it will not be issued until the Final Supplemental Environmental Impact Statement (“FSEIS”) and NRC License are issued.

The process with the NRC commenced in October 2007, when the Corporation submitted its application for the NRC License. In June 2008, the NRC notified the Corporation that the acceptance review had been completed and the application was found sufficient for technical review. Since November 2008, the NRC has submitted various Requests for Additional Information to the Corporation for both the Technical Report and Environmental Report portions of the Application and the Corporation has submitted responses. In June 2009, the NRC issued its Generic Environmental Impact Study ("GEIS"). In addition to the GEIS, the NRC is required to complete a site-specific SEIS for new ISR operations. The Corporation received the Lost Creek draft SEIS in December 2009, and subsequently submitted comments to the NRC. Current NRC guidance calls for the completion of the Lost Creek FSEIS in second quarter 2011.

The BLM is preparing the environmental review required before approving the Lost Creek Plan of Operations that was submitted to the BLM in November 2009. A third party contractor has been assigned to draft the environmental review documents. On February 11, 2011, the BLM issued a Notice of Intent ("NOI") for the Lost Creek Plan of Operations. The NOI commences the scoping process related to the BLM's Environmental Impact Statement ("EIS") for the Lost Creek project's Plan of Operations. The BLM states in the NOI that it "may decide it is appropriate to incorporate by reference into its own EIS all or part of the [NRC's FSEIS] once it is complete."

In November 2010, the Corporation submitted to the U.S. Environmental Protection Agency ("EPA") an application for a permit to construct two holding ponds at Lost Creek. The EPA has responded seeking additional information for the permit. Earlier, in May 2010, the Wyoming State Engineer's Office issued its approval for the construction and operation of the two holding ponds at the Lost Creek site.

The permitting process with the WDEQ Land Quality Division ("WDEQ-LQD") for the Permit to Mine is nearing completion. The WDEQ-LQD has completed its technical review, and is moving toward issuance of the permit. The approval for the first mine unit will be a part of the WDEQ Permit when it is issued. Current expectations are that the Permit to Mine will be issued conditioned upon the BLM's completion of its environmental review and approval of the Lost Creek Plan of Operations.

In March 2010, the U.S. Fish and Wildlife Service ("USFWS") submitted a finding of "warranted for listing but precluded by higher priorities" with regard to the greater sage grouse – whose habitat includes Wyoming. A finding that listing is "warranted but precluded" results in recognition of the greater sage grouse as a candidate for listing. This finding is reconsidered annually, taking into account changes in the status of the species. When higher priority listing actions have been addressed by the USFWS for other species, a proposed listing rule is prepared and issued for public comment. This means that until the USFWS finalizes a listing determination, the greater sage grouse will remain under state management. As a part of its WDEQ Application, the Corporation submitted a Wildlife Protection Plan regarding, among other issues, the sage grouse. The Wyoming Game and Fish Department ("WGFD") approved the Wildlife Management Plan submitted by the Corporation, including a determination that the Wildlife Management Plan meets all of the protection measures for the greater sage grouse species. WGFD has forwarded its required approval to the WDEQ for incorporation into the WDEQ Permit for Lost Creek.

Authorizations Received for Lost Creek

In addition to the draft SEIS and draft license received from the NRC, the Corporation has received several final permits or authorizations related to Lost Creek in 2009-2010:

- Sweetwater County approved the Lost Creek Project Development Plan in December 2009;
- WDEQ-Air Quality Division issued the Lost Creek Air Quality Permit in January 2010;

- WDEQ-Water Quality Division (“WDEQ-WQD”) issued the Class I Underground Injection Control (“UIC”) Permit to drill, complete and operate up to five Class I injection wells to meet the anticipated disposal requirements for the life of the Lost Creek project (May 2010); and
- Wyoming State Engineer’s Office approval of two waste water holding ponds.

Lost Creek Project –Drilling, Development, Design and Procurement

In addition to the historic drill data (approximately 563 holes) it owns with regard to Lost Creek, Ur-Energy has completed 1,096 drill holes totaling approximately 728,757 feet (222,125 meters) on the Lost Creek Project. The Corporation has completed necessary delineation drilling for the planning of the first mine unit in 2008, and for the second mine unit during the 2009-2010 drill program.

In 2008, 459 holes were drilled totaling approximately 303,040 feet (92,368 meters), which included delineation, exploration and monitor well drilling. The drilling for the design and mine planning of Mine Unit #1 was completed as a part of that year’s drill program. In addition, a deep test well was drilled in 2008 (9,997 feet (3,047 meters)), which provided the detailed data, including formation stratigraphy, reservoir extent and properties, water quality and assessment of well injection rates, for the application for the WDEQ-WQD Class I UIC permit. The Corporation submitted the application in June 2009; the Class I UIC permit was issued in May 2010.

The Corporation continued its development program at the Lost Creek Project with its 2009-1Q2010 drill program: 298 holes of delineation and monitor well drilling (approximately 213,040 feet (64,935 meters)) were drilled to obtain geologic data necessary for mine planning within the HJ horizon for Mine Unit #2. A secondary objective of that program was to continue to collect data from the underlying mineralized horizons (KM and N) for future production planning. The program also included the drilling and installation of monitoring wells to obtain and monitor water quality and hydrologic data for the purpose of permitting an additional mineralized horizon underlying the HJ horizon presently being permitted. The Corporation also completed mechanical integrity testing of installed baseline and monitoring wells and the installation of submersible pump equipment to facilitate ongoing water sampling requirements.

Much of the 2010 drill program was conducted to advance the permitting processes. A total of 39,061 feet (11,906 meters) of drilling accomplished the following: 45 drill holes to complete delineation of resources within the KM horizon beneath Mine Unit #1; improvements to 19 monitoring wells at the request of the WDEQ; installation of two new monitoring wells. Additionally, six wide-spaced exploration holes were drilled to test deeper horizons.

Mine Unit #1 is currently being permitted to recover uranium only within the HJ stratigraphic horizon, a unit that starts at a depth of approximately 325 feet (99 meters). Resources within the underlying KM stratigraphic horizon, with the top of the horizon at about 475 feet (145 meters), will be permitted and mined as a separate future mine unit. Because some resources within the KM horizon underlie Mine Unit # 1 they required delineation before mining Mine Unit #1. Mineral intercepts averaged 14.1 feet (4.3 m) of 0.049% eU₃O₈. Leach tests completed on samples from the KM region yielded favorable results consistent with those of the HJ horizon. The Corporation anticipates submitting an application for amendment of its licenses and permits, when received, to allow for mineral recovery from the underlying KM horizon at Lost Creek.

In addition to the improvements to existing monitoring wells, the 2010 drilling included installation of two new observation monitor wells. This concludes the pre-mining installation of regional and Mine Unit #1 monitoring wells that will be used for operational monitoring. There are now a total of 156 installed monitoring and baseline wells within the Lost Creek permit area.

Six deep, wide-spaced exploration holes were drilled in the southwest area of the property approximately 1 to 1½ miles (1.6-2.4 km) south of the main ore trend. Drilling depths were to 1200 feet (366 m). These holes were intended to test for potential roll fronts in the HJ, KM, and deeper horizons. The drill results confirmed the presence of the redox fronts which will provide guidance for future exploration activities on these targets.

In 2009, the Ur-Energy's engineering staff, assisted by TREC, Inc., completed the detailed designs and specifications for all components of the Lost Creek plant. Ur-Energy selected Fagen, Inc., as general construction contractor for the plant facilities. Although construction of the Lost Creek plant will not begin until receipt of the necessary permits, bids for all major process equipment at the Lost Creek project were evaluated; procurement for long lead time items was ongoing throughout 2009-2010. Purchase orders totaling US\$2,013,095 were issued in 2009-2010 for ion exchange columns and other process equipment.

During 2010, the Corporation advanced detailed electrical, process and fire system design through its contractor TREC, Inc. Vendors for all major equipment remaining to be ordered, as well as respective lead times, have been identified with final bids to be delivered following receipt of required licenses and permits. The focus on instrumentation programming was brought in-house to better utilize the expertise of Ur-Energy's professional staff.

The Corporation's Properties Adjoining Lost Creek to form the Lost Creek Property

The LC North property (approximately 8,756 acres (3,543 hectares)) is located to the north and to the west of the Project. Historical wide-spaced exploration drilling on this property consisted of 161 drill holes. In 2007, URE drilled 30 exploration holes (approximately 29,600 ft (9,022 meters)) in two areas immediately north of the Project, of which 29 of the drill holes were geophysically logged down hole. The results of this drilling confirmed the existence of mineralization occurring in multiple horizons, many of which correlated stratigraphically with mineralized horizons in the Project area. Six of the drill holes had GT intercepts of ≥ 0.30 between the depths of 580 to 931 ft (177 to 284 meters). Additional drilling is still needed on this property to evaluate the potential of this mineralization.

The LC South property (approximately 10,830 acres (4,383 hectares)) is located to the south and southeast of the Lost Creek Project. In addition, the Toby property (approximately 472 acres (191 hectares)) adjoins the LC South property at its southern boundary. Historical drilling on the LC South property consisted of 482 drill holes. In 2010, URE drilled 159 exploration holes (101,270 ft (30,876 meters)) which confirmed numerous individual roll front systems occurring within several stratigraphic horizons correlative to mineralized horizons in the Project. Also, a series of wide-spaced drill holes up to 1,200 ft (366 meters) in depth were part of this exploration program which identified deep oxidation (alteration) that represents the potential for several additional roll front horizons. Further follow-up drilling is required on the LC South property to evaluate the potential of deeper redox fronts.

The EN property (approximately 9,482 acres (3,837 hectares)) is adjacent to and east of LC South. URE reports that it has reviewed over 60 historical drill logs from this property. In 2007, three deep stratigraphic holes totaling 8,605 ft (2,623 meters) were drilled to test mineralization below 2,000 ft (610 meters) which had been identified from historical data, which indicated the presence of mineralized redox fronts persisting at depth. Results of the three stratigraphic test wells substantiated mineralization and the presence of redox interfaces at that depth. In 2008, approximately two miles to the south, 12 wide-spaced exploration drill holes (maximum depth 1,170 ft (357 meters)) and a water well totaling 11,370 ft (3,466 meters) were completed on the property. Nine drill holes showed evidence of multiple mineralized horizons.

Additional drilling is needed throughout these areas in order to correlate mineralized horizons on the adjoining properties and to evaluate their potential. URE is developing exploration plans to continue the exploration and evaluation of the stacked, sinuous, mineralized redox fronts identified by drilling on the Adjoining Properties. A major exploration program of 2,000 to 3,000 drill holes to evaluate the potential of these mineralized redox fronts has been recommended by URE's geologic staff. The objective of the exploration program will be to identify deposits of roll front uranium that can be mined by ISR methods.

Technical Report Summaries

The following is the executive summary excerpted in substantive form from the March 16, 2011 Preliminary Assessment Lost Creek Property Sweetwater County Wyoming, authored by Douglass H. Graves, P.E., Matthew J. Yovich, P.E. (both of TREC, Inc.) and Robert D. Maxwell, CPG (Behre Dolbear & Company (USA), Inc. The 2011 Preliminary Assessment was prepared to provide an independent analysis and preliminary assessment of the potential economic viability of the mineral resource of the Lost Creek project.

Summary from Preliminary Assessment Lost Creek Property Sweetwater County Wyoming

This independent Preliminary Assessment (PA) for the Lost Creek Property (the "Property") has been prepared for Ur-Energy Inc. (URE) and its subsidiary, Lost Creek ISR, LLC (LC) by **TREC, Inc. (TREC)** and Behre Dolbear & Company (USA), Inc. (Behre Dolbear) in accordance with the guidelines set forth under National Instrument (NI) 43-101 for the submission of technical reports on mineral properties.

The Lost Creek Property consists of the Lost Creek Project (the "Project") and the surrounding adjoining claim block areas (the "Adjoining Properties") known as LC North, LC South, EN and Toby. URE currently controls a total of 1,753 federal unpatented lode mining claims and two State of Wyoming state mineral leases for a total of approximately 33,794 acres in the Lost Creek Property including the Lost Creek Project. For the purposes of this NI 43-101 PA, the combined area controlled by URE is regarded as one material property. All resources reported for the Property are located within the Project area. The Adjoining Properties controlled by URE are considered to be in the exploration stage and do not presently contain any reportable mineral resources under NI 43-101 standards. URE owns 100 percent of the mineral rights on the Property, though some royalties do exist.

The purpose of this PA is to evaluate the technical and economic viability of the Project using the scientific and technical information available at the time of writing. This PA demonstrates both the technical and economic viability of the Project with the current level of available information on the mineral deposit.

The economic analysis provided within this PA focuses on a well-defined portion of the Property (i.e. the Project area) where the current level of delineation drilling provides for confidence that the contained mineralization is of a known grade and tonnage to consider the *in-situ* recovery (ISR) method. Continued drilling is recommended in this PA so that additional potential mineralization within the Property and Project Area can be defined and later brought into the resource base for economic consideration.

This PA is based on the estimates of Project mineral resources presented in Table S-1 and the mine plan, as currently defined, including the components presented in Table S-2. The economic analysis estimates that the Project will generate net earnings over the life of the Project, before income tax, of **\$178.96 million**. All references to dollars in this report are US Dollars. It is estimated that the Project has an internal rate of return (**IRR**) of **91 percent** and a net present value (**NPV**) of **\$118.1 million** applying an eight percent discount rate. The estimated cost of uranium produced is \$42.65 per pound including all costs, with an estimated operational cost of \$19.66 per pound. See Tables S-3 and S-4. The estimated commencement of construction is in Quarter 1 of 2012. Payback is estimated in Quarter 4 of 2013.

Table S-1: Summary of Mineral Resources, March 2011

Lost Creek Project

Summary of Mineral Resources, March 2011

Resource Category	Short Tons (millions)	Grade (% eU ₃ O ₈)	Pounds eU ₃ O ₈ (millions)
Measured	2.54	0.052	2.66
Indicated	2.20	0.060	2.57
Measured + Indicated	4.73 ₁	0.055	5.22 ₁

Resource Category	Short Tons (millions)	Grade (% eU ₃ O ₈)	Pounds eU ₃ O ₈ (millions)
Inferred	0.77	0.051	0.78

Notes:

1. Sum of Measured and Indicated tons and pounds do not add to the reported total due to rounding.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Based on grade cutoff of 0.02 percent eU₃O₈ and a grade x thickness cutoff of 0.3 GT.
4. Typical ISR industry practice is to apply a GT cutoff in the range of 0.3 which has generally been determined to be an economical cutoff value. This 0.3 GT cutoff was used in this evaluation without direct relation to an associated price.
5. Measured, Indicated, and Inferred Mineral Resources as defined in Section 1.2 of NI 43-101 (and the Canadian Institute of Mining, Metallurgy and Petroleum, CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council (the "CIM Definitions Standards").
6. The economic analysis is based on an 80 percent recovery of the total of mineral resources of:
 2.66 million pounds of NI 43-101-compliant Measured Mineral Resources in 2.54 million tons, at an average grade of 0.052 percent eU₃O₈;

2.57 million pounds of NI 43-101-compliant Indicated Mineral Resources, contained in 2.20 million tons, at an average grade of 0.060 percent eU₃O₈; and

0.78 million pounds of NI 43-101-compliant Inferred Mineral Resources, contained in 0.77 million tons, at an average grade of 0.051 percent eU₃O₈.

In the preparation of this report, the mineral resources for the Project have been estimated utilizing two distinct technical methods. The first method, consistent with the Technical Report (RPA, 2006) and the Amended Preliminary Assessment of the Lost Creek Project (Lyntek, 2008, as amended 2011) generates a resource estimate for the Project based upon a polygonal method analysis. The polygonal method resource estimate has been verified by Author Robert D. Maxwell, CPG. (See also discussion at Section 20). The polygonal method resource estimate is valid and appropriate for exploration projects. Employing all of the drill data available to date within the Project area, the polygonal method analysis yields 8.44 million pounds, contained in 8.58 million tons, at a grade of 0.049% eU₃O₈, as an Indicated Mineral Resource, and 2.04 million pounds contained in 2.01 million tons, at a grade of 0.051% eU₃O₈ as an Inferred Mineral Resource. An additional 0.53 million pounds, contained in 0.57 million tons at a grade of 0.046% eU₃O₈ as an Inferred Mineral Resource is reported from 'outlier' areas to the deposit, all within the Project area (See discussion in Section 20.2). This resource calculation approach, as applied, using all identified mineralized zones below the water table, does not yield a result that can confirm the suitability of the resources for the selected mining method.

With the further progression of the Project into stages of mine planning, direct reliance upon the polygonal resource method has been superseded by the grade-thickness (GT) contour method. The GT contour method resource estimate is better suited to guide detailed mine planning and estimates of recoverable resources for a project like Lost Creek. It was therefore utilized for the economic analysis in this report. The GT contour resource estimate has been verified by Author Maxwell using data from Project areas where drilling density is adequate to prepare a detailed mapping of the area and stratigraphic extent of the mineralization. The result identifies mineralization that is of suitable grade and quantity to be recovered by *in situ* recovery techniques and appropriately supports the estimate of Measured, Indicated and Inferred Mineral Resources presented in Table S-1.

The Authors have elected to use the resource results of the GT contour method in the development of the Property resource estimate because of the higher level of confidence the method produces. The results of the contour method estimate for the Project area include, 2.66 million pounds of Measured Mineral Resources in 2.54 million tons, at an average grade of 0.052 percent eU₃O₈; 2.57 million pounds of Indicated Mineral Resources, contained in 2.20 million tons, at an average grade of 0.060 percent eU₃O₈; and 0.78 million pounds of Inferred Mineral Resources, contained in 0.77 million tons, at an average grade of 0.051 percent eU₃O₈, all deemed suitable for the proposed *in situ* recovery method. Uranium resources identified and used in this report are defined as of the date of this report and are presented in Table S-1. At the time this report is being prepared, not all of the Project area has been drilled to a density adequate to utilize the GT contour resource estimation method. Additional resources may be identified in the future as additional information becomes available from further drilling activities in the Project and Property areas.

The Project is currently being permitted for commercial production of uranium by *in situ* methods. The Project is located in the northeastern corner of Sweetwater County, south-central Wyoming, USA. The Project is located in an unpopulated area about 15 miles southwest of Bairoil, Wyoming, about 38 miles northwest of Rawlins, and about 90 miles southwest of Casper. According to the state and federal permit applications, the Project area covers approximately 4,254 acres.

The Project, as conceived for this PA, will consist of five Resource Areas and associated wellfields and a processing plant (Plant). The Project consists of the proposed development of a commercial uranium *in situ* recovery and processing operation. This evaluation uses design information provided by URE for the Project and is supplemented with issued-for-bid and final designs for certain facility components (e.g., wellfield piping, Plant, laboratory, header houses, etc.) developed by **TREC**. Design and bid costs have been used to develop estimates of capital expenditures (CAPEX), operating expenditures (OPEX), and closure costs for the proposed wellfields, Plant, infrastructure and associated facility costs. This PA also presents an economic analysis based on the projected CAPEX and OPEX expenditures, estimates of projected revenue from the sale of uranium concentrates and a schedule of both Project costs and revenues based on assumptions presented herein.

The targeted mineralized zones for *in situ* uranium recovery at the Project occur within sand horizons of the Eocene age Battle Spring Formation. The primary mineral deposit at the Project occurs within the HJ Horizon. Mineralization targeted for mining has also been identified within the underlying KM Horizon.

The combined HJ and KM mineral trend, generally referred to as the Main Mineral Trend (MMT), extends in an east-northeast to west-southwest orientation for nearly three miles. Composite width of the mineral trend is from 500 to 1500 ft. Individual roll fronts within the deposit are typically 25- to 75-ft wide and are very sinuous. They are stacked vertically and commonly overlie each other in an erratic, anastomosing pattern in plan view.

Thickness of mineralization on each front may vary from five- to 20-ft thick. Typical thickness is from ten to 15 ft. Mineral intercepts of over 25 ft in total thickness are common where multiple roll fronts occur stacked vertically. Average grade of uranium mineralization is approximately 0.055 percent eU_3O_8 .

Depth to mineralization in the HJ Horizon ranges from approximately 350 to 500 ft, averaging 435 ft. In the KM Horizon, it ranges from 525 to 625 ft, averaging 540 ft. Depth increases by roughly 50 to 75 ft in the western portion of the Project and shallows likewise to the east.

For this technical report, an NI 43-101-compliant Mineral Resource estimation was prepared for the Project by URE and was reviewed and validated by Author Robert D. Maxwell, CPG, of Behre Dolbear. This estimate was prepared by the GT contour method, previously described, and identifies approximately 5.22 million pounds at an average grade of 0.055 percent eU_3O_8 , contained in 4.73 million tons and categorized as Measured and Indicated Mineral Resources; and an additional 0.78 million pounds at an average grade of 0.051 percent eU_3O_8 , contained in 0.77 million tons and categorized as an Inferred Mineral Resource.

As identified above, the mineral resources stated in this PA, calculated by the GT contour method (the second method described above), including Measured, Indicated and Inferred Mineral Resources, were reviewed, evaluated and validated by Author Maxwell for use in the economic evaluation. The evaluation included, but was not limited to, review of historical and recent drilling data including geophysical and lithologic logs, available drill hole location and deviation data, mineralization intercept data tables, gamma count readouts, grade thickness contour maps, an evaluation of ground water levels and relative mineralization depths and review of geologic cross sections. As a result of the resource evaluation, defined Measured, Indicated and Inferred Mineral Resources at the Project have been identified. For purposes of this PA, an 80 percent recovery was used, based on site-specific, laboratory recovery test data. Thus, the financial evaluations developed in this study assume approximately 4.81 million pounds of uranium (as U_3O_8) can be recovered at the Project based on the knowledge of resources developed on the Project at this time.

The geological mineralized zone is the sandstone unit where economic concentrations of uranium exist and in which the leaching solutions are injected and recovered. It is a saturated zone bounded between other zones of low permeability, typically shales or mudstones, termed aquitards. In order to mine the uranium resources at the Project, infrastructure including wellfields and a Plant have been designed and are planned for construction. Wellfields are located in designated Resource Areas situated above the defined mineralized zone and will feature wells, piping and controls for the ISR process and are sized for the desired production goals. The piping/well system will inject a water-leaching solution into the mineralized zone and recover the uranium-enriched water after it has flowed through the mineralized zone.

Development of the initial Resource Area will begin at the same time Plant construction is initiated. Additional portions and/or wellfield areas will be put into service until the Plant flow capacity is reached. Subsequently, the remainder of the Resource Areas will be developed in such a way as to allow for Plant capacity to be maintained. Eventually, all the patterns in a given Resource Area will reach their economic limit and production flow in that Resource Area will be terminated. At that time, all production flow to the Plant will be derived from the additional Resource Areas and restoration activities will commence in the initial Resource Area. Additional production will be implemented similarly until each area has been depleted at which point groundwater restoration will commence. Further drilling by URE may delineate additional Resource Areas which may be scheduled for future production in a manner similar to the five Resource Areas currently defined for this Project. Table S-2 provides an inventory of header houses and wells included in the Project by Resource Area.

Table S-2: Project Header House and Well Inventory by Resource Area

Item	Resource Areas				
	1	2	3	4	5
Header Houses	12	16	4	5	3
Injection Wells	404	562	149	170	102
Recovery Wells	231	321	85	97	58
Interior Monitoring Wells	26	36	18	22	18
Perimeter Monitoring Wells	28	38	25	23	23
Disposal Wells (2)	0	0	0	0	0

The Plant has been designed to process 6,000 gallons per minute (gpm) of ground water extracted from the mineralized zone with a recovery of approximately one million pounds of dry yellowcake per year through four major solution circuits: the recovery/extraction ion exchange (IX) circuit; the elution circuit; a yellowcake precipitation circuit; and the dewatering, drying and packaging circuit. The evaluation in this PA is based on the one million pound Plant capacity and buildout. Note, however, that URE's license/permit applications for the Plant are for the processing of up to two million pounds of yellowcake per year (measured as dry yellowcake).

The system has been designed to recycle and reuse most of the solutions inside each circuit. A bleed will be taken from the overall process to ensure that slightly less water is injected back into the wellfield than was initially recovered to maintain an inward ground water gradient toward the wellfield. This bleed solution will be treated via reverse osmosis and the brine routed to the waste deep disposal wells (DDW). The yellowcake will be packaged in approved 55-gallon steel drums, and transported to a licensed uranium conversion facility.

Using the estimated CAPEX, OPEX and closure costs presented herein, a cash flow statement has been developed and is provided in Table S-3 at page 14. The statement assumes no escalation, no debt, no debt interest or capital repayment and no depreciation or income tax costs. The sale price for the produced uranium is assumed to vary based on the RBC Dominion Securities, Uranium Market Outlook, Fourth Quarter 2010 (RBC, Q4 2010). The revenue for the cash flow estimate was developed using the GT contour mineral resource estimate for the Project, and further assumes that, based on an 80 percent recovery factor for the Resource Areas, approximately 4.81 million pounds of U₃O₈ will be recovered at the Project.

CAPEX costs were developed by TREC based on the current Project design, quantities and unit costs obtained from various sources. The Authors predict the level of accuracy of the CAPEX estimate is +/- 15 percent. The estimated costs for the major items identified in this study have been sourced in the United States.

OPEX cost estimates were developed by evaluating each process unit operation and associated operating services (power, water, air, waste disposal), infrastructure (offices, change rooms, shop), salary plus burden, and environmental control (heat, air conditioning, monitoring). The OPEX estimate is based on URE's development plan and associated Resource Areas, deliverables, process flow sheets, process design, materials balance and Project manpower schedule. The Annual OPEX and Closure cost summary is provided in Table S-4 (at page 15). The Authors predict the level of accuracy of the OPEX estimate is +/- 15 percent.

This PA assumes the Project start date is January, 2011. The Project start date is used in the economic analyses presented herein as the demarcation between Project costs and sunk costs. The Project start date is used only for purposes of the economic analysis. It does not define the start of construction or the start of production, both of which will occur after the Project start date.

The cash flow includes pre-production costs starting in 2011. The start of production is assumed to be Quarter 4 of 2012 with mining through 2017 and end of restoration and stabilization in 2022. The production plan is subject to change as a result of differences between actual and assumed permit/license approval, extraction schedules, variations with Resource Area recoveries, Plant issues, economic conditions, etc.

The Net Present Value (NPV) calculations make the simplifying assumption that cash flows occur in the middle of the periods. The NPV is calculated from the discounted cash flow model and is based on the CAPEX, OPEX and closure cost estimates, a variable future uranium price (RBC, Q4 2010) and the anticipated production schedule.

The Project has initial capital costs of \$35.06 million including: Plant cost of \$17.5 million, pre-production costs of \$7.8 million, initial Resource Area construction cost of \$5.62 million; and DDW cost \$4.125 million. As described above, URE has purchased, or has purchased and partially paid for, some Plant equipment prior to the January 1, 2011 Project start date identified in this PA. Costs for that equipment are considered sunk costs and are not included in the Project totals presented here.

The estimated commencement of construction is in Quarter 1 of 2012. As previously stated, the Project is estimated to generate net earnings over the life of the Project, before income tax, of **\$178.96 million**. Payback is estimated in Quarter 4 of 2013. It is estimated that the Project has an **IRR of 91 percent** and a **NPV of \$118.1 million** applying an eight percent discount rate. The estimated cost of uranium produced is \$42.65 per pound including all costs, with an estimated operation cost of \$19.66 per pound. See Tables S-3 and S-4.

Cautionary statement: this PA is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. The estimated mineral recovery used in this PA is based on both site-specific laboratory recovery data as well as URE personnel and industry experience at similar facilities. There can be no assurance that recovery at this level will be achieved.

Table S-3: Cash Flow Statement (\$US 000s), Lost Creek Project

Uranium Price (3):	\$65.00	\$75.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$80.00	\$70.00	\$55.00	\$55.00	\$55.00	\$55.00	
Item	Year -1 (2011)	Year 1 (2012)	Year 2 (2013)	Year 3 (2014)	Year 4 (2015)	Year 5 (2016)	Year 6 (2017)	Year 7 (2018)	Year 8 (2019)	Year 9 (2020)	Year 10 (2021)	Year 11 (2022)	Year 12 (2023)	Total
UR Energy Production ('000 lbs) (1)(2)	0	99	1,032	1,081	1,081	1,081	431	0	0	0	0	0	0	4,805
Gross Sales (3)(4)	\$ 0.0	\$ 7,412.2	\$ 82,567.8	\$ 86,482.8	\$ 86,482.8	\$ 86,482.8	\$ 34,445.5	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 383,873.9
less: extraction and private royalty fees at 1.67% royalty	\$ 0.0	\$ 326.0	\$ 459.0	\$ 459.0	\$ 459.0	\$ 0.0	\$ 91.5	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 1,794.7
less: Gross Products+Severance														
Severance tax (6)	\$ 0.0	\$ 459.4	\$ 4,961.6	\$ 5,195.8	\$ 5,195.8	\$ 5,173.2	\$ 2,065.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 23,050.8
Net Sales	\$ 0.0	\$ 6,626.7	\$ 77,147.1	\$ 80,828.0	\$ 80,828.0	\$ 81,309.6	\$ 32,289.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 359,028.4
Operational Costs														
Total Op Costs	\$ 0.0	\$ 10,057.1	\$ 17,924.5	\$ 14,213.3	\$ 12,354.3	\$ 14,124.5	\$ 8,902.1	\$ 6,786.7	\$ -736.5	\$ 3,900.1	\$ -8,153.9	\$ -8,079.9	\$ 0.0	\$ 71,292.5
Wellfield														
Development (5)	\$ 0.0	\$ 5,619.1	\$ 11,238.2	\$ 11,238.2	\$ 11,238.2	\$ 11,238.2	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 50,572.1
Total Closure Costs	\$ 0.0	\$ 0.0	\$ 1,057.5	\$ 1,057.5	\$ 1,057.5	\$ 1,057.5	\$ 1,057.5	\$ 1,057.5	\$ 2,115.0	\$ 2,115.0	\$ 4,230.1	\$ 5,287.6	\$ 1,057.5	\$ 21,150.5
Home Office Support and Allocated Overhead	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 175.0	\$ 75.0	\$ 0.0	\$ 2,000.0
Project Cash Flow	\$ -175.0	\$ -9,224.5	\$ 46,751.9	\$ 54,143.9	\$ 56,002.9	\$ 54,714.3	\$ 22,154.4	\$ -8,019.3	\$ -1,553.6	\$ -6,190.2	\$ 3,748.8	\$ 2,717.3	\$ -1,057.5	\$ 214,013.4
Capitalized Costs														
Pre-Production Costs	\$ 2,945.6	\$ 4,898.6	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 7,844.2
Capital expenditure (7)	\$ 5,442.3	\$ 21,769.3	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 27,211.6
CASH FLOW														
AFTER CAPEX	\$ 8,562.9	\$ 35,892.4	\$ 46,751.9	\$ 54,143.9	\$ 56,002.9	\$ 54,714.3	\$ 22,154.4	\$ -8,019.3	\$ -1,553.6	\$ -6,190.2	\$ 3,748.8	\$ 2,717.3	\$ -1,057.5	\$ 178,957.6
Opening cash balance	\$ 0.0	\$ -8,562.9	\$ 44,455.3	\$ 2,296.6	\$ 56,440.5	\$ 112,443.4	\$ 167,157.7	\$ 189,312.1	\$ 181,292.8	\$ 179,739.2	\$ 173,549.0	\$ 177,297.8	\$ 180,015.1	
Closing Cash Balance	\$ 8,562.9	\$ 44,455.3	\$ 2,296.6	\$ 56,440.5	\$ 112,443.4	\$ 167,157.7	\$ 189,312.1	\$ 181,292.8	\$ 179,739.2	\$ 173,549.0	\$ 177,297.8	\$ 180,015.1	\$ 178,957.6	

- Notes:
1. Production is based on a 80% recovery of the total of Measured, Indicated, and Inferred resources per NI 43-101 Section 2.3(3).
 2. Production is in years 2012 through 2017 and assumes applicable permits and licenses are received in time to start production in early 2012.
 3. Uranium Price from RBC Dominion Securities - Uranium Market Outlook, Fourth Quarter 2010.
 4. All amounts in US \$ 000s.
 5. Wellfield Development costs after production start are included as an Operational Expense, and averaged between the years of development
 6. Gross products and Severance tax amounts are based on a variable Gross Products Tax rate and Severance Tax rate of 4%.
 7. Plant CAPEX, two deep disposal wells and the first wellfield area (20% of total) are included in Year -1 (2011). Well-field costs are expensed 20% Years 2012-2016.
 8. Income Tax Is Not included In Lost Creek Project Cash Flow.
- The IRR and NPV analyses are based on Years -1 to Year 12.

IRR = 91% Assuming no depreciation, no income tax, no escalation, and variable uranium price as indicated above.

Net Present Value Versus Discount Rate	
Discount Rate	NPV (\$US 000s)
5%	\$ 137,587
8%	\$ 118,052
10%	\$ 106,773

Preliminary Assessment, Lost Creek Property

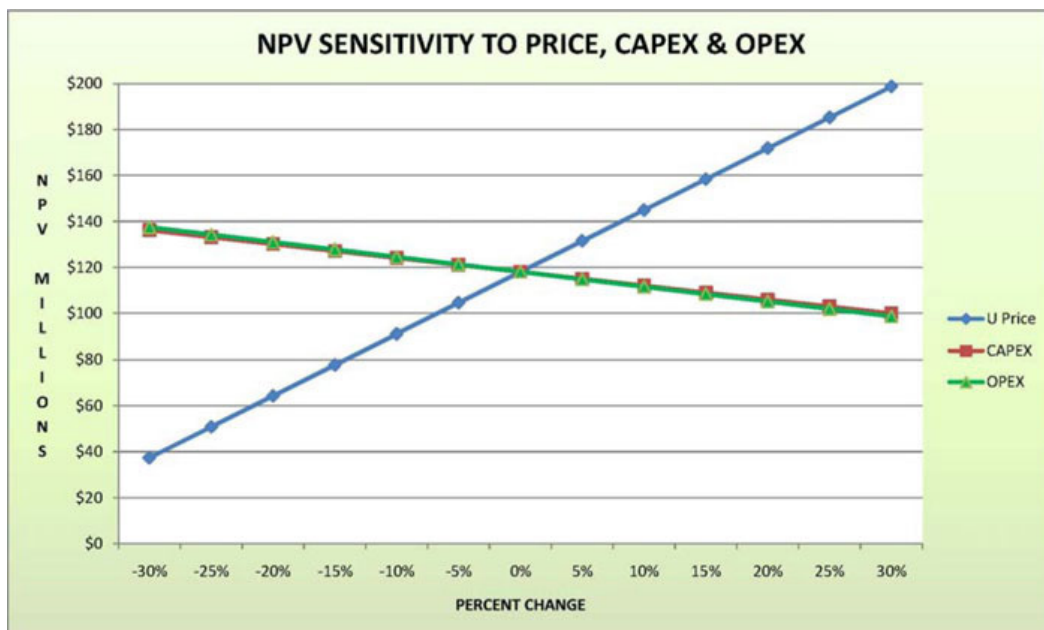
Table S-4: Annual Operating Cost (OPEX) Summary, Lost Creek Project

Life of Mine Operation Costs	Year -1 (2011)	Year 1 (2012)	Year 2 (2013)	Year 3 (2014)	Year 4 (2015)	Year 5 (2016)	Year 6 (2017)	Year 7 (2018)	Year 8 (2019)	Year 9 (2020)	Year 10 (2021)	Year 11 (2022)	Year 12 (2023)	Total	Cost per LB
Description															4,804,600
Salaries and Wages (Plant)	\$ 0	\$ 546,721	\$ 2,186,884	\$ 2,186,884	\$ 2,186,884	\$ 2,186,884	\$ 1,749,507	\$ 1,312,130	\$ 874,754	\$ 874,754	\$ 437,377	\$ 218,688	\$ 0	\$14,761,467	\$ 3.38
Salaries and Wages (Wellfield)	\$ 0	\$ 463,820	\$ 1,855,280	\$ 1,855,280	\$ 1,855,280	\$ 1,855,280	\$ 1,484,224	\$ 1,113,168	\$ 742,112	\$ 742,112	\$ 371,056	\$ 185,528	\$ 0	\$12,523,140	\$ 2.87
Wellfield Costs (excludes closure related)	\$ 0	\$ 687,641	\$ 2,750,566	\$ 2,750,566	\$ 2,750,566	\$ 2,750,566	\$ 2,750,566	\$ 2,200,452	\$ 1,650,339	\$ 1,100,226	\$ 0	\$ 0	\$ 0	\$19,391,487	\$ 4.44
Processing Plant Costs (excludes closure related)	\$ 0	\$ 402,080	\$ 1,608,321	\$ 1,608,321	\$ 1,608,321	\$ 1,608,321	\$ 1,286,657	\$ 964,993	\$ 643,329	\$ 482,496	\$ 0	\$ 0	\$ 0	\$10,212,841	\$ 2.34
Plant Power Costs (excludes closure related) (7)	\$ 0	\$ 235,625	\$ 942,500	\$ 942,500	\$ 942,500	\$ 942,500	\$ 754,000	\$ 565,500	\$ 377,000	\$ 282,750	\$ 0	\$ 0	\$ 0	\$ 5,984,876	\$ 1.37
Product Shipping Costs	\$ 0	\$ 3,121	\$ 130,370	\$ 136,552	\$ 136,552	\$ 136,552	\$ 54,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 597,534	\$ 0.14
BLM & State Land Holding & Surface Impact Cost (4)	\$ 0.0	\$ 29,740.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 30,700.0	\$ 0.0	\$ 336,740	\$ 0.08
NRC Fees (5)	\$ 0	\$ 435,320	\$ 125,320	\$ 125,320	\$ 125,320	\$ 94,320	\$ 94,320	\$ 94,320	\$ 94,320	\$ 94,320	\$ 94,320	\$ 94,320	\$ 0	\$ 1,471,520	\$ 0.34
Insurance and Bonding	\$ 0	\$ 6,338,779	\$ 6,665,028	\$ 3,285,046	\$ 1,595,055	\$ 3,235,340	\$ -111,505	\$ -111,505	\$ -5,082,066	\$ -61,799	\$ -8,346,068	\$ -7,874,589	\$ 0	\$ -468,285	\$ -0.11
Subtotal: (10% contingency added to subtotal)	\$ 0	\$10,057,133	\$17,924,466	\$14,213,286	\$12,354,296	\$14,124,510	\$ 8,902,143	\$ 6,786,735	\$ -736,464	\$ 3,900,115	\$ -8,153,877	\$ -8,079,888	\$ 0	\$71,292,453	
Closure Costs - less Wages	\$ 0	\$ 0	\$ 1,057,523	\$ 1,057,523	\$ 1,057,523	\$ 1,057,523	\$ 1,057,523	\$ 1,057,523	\$ 2,115,046	\$ 2,115,046	\$ 4,230,093	\$ 5,287,616	\$ 1,057,523	\$21,150,464	\$ 4.40
Home Office Support and Allocated Overhead	\$175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 75,000	\$ 0	\$ 2,000,000	\$ 0.42
Subtotal:	\$175,000	\$ 175,000	\$ 1,232,523	\$ 1,232,523	\$ 1,232,523	\$ 1,232,523	\$ 1,232,523	\$ 1,232,523	\$ 2,290,046	\$ 2,290,046	\$ 4,405,093	\$ 5,362,616	\$ 1,057,523	\$23,150,464	
TOTAL	\$175,000	\$10,232,133	\$19,156,989	\$15,445,809	\$13,586,819	\$15,357,033	\$10,134,666	\$ 8,019,258	\$1,553,582	\$ 6,190,162	\$ -3,748,784	\$ -2,717,272	\$ 1,057,523	\$94,442,917	\$ 19.66

- Notes:
1. Plant and Wellfield Capex is in Year -1 (2011). Wellfield development is in years -1, 1, 2, 3, & 4 (2011 thru 2015).
 2. Costs include 10% contingency
 3. Closure costs assume no salvage value for materials and equipment
 4. BLM land holding cost is an annual assessment of \$140 on each of claim (201 total). State fees include \$1,280 annual lease plus surface impact of \$2/acre
 5. NRC annual fees include \$8,320 for Annual Inspections, \$50K for NRC Project Manager, \$36K for License fees. Dryer Amendment, KM Amendment in Year 2012. Mine Unit Reviews in Years 2012, 2013, 2014, and 2015.
 6. Shipping costs are calculated with 19 ton shipments, \$4.00/mile and 1,200 miles to the conversion facility
 7. Power in Year -1 estimated for construction use

The Project is sensitive to changes in the price of uranium as shown in Figure S-1. A one dollar change in the commodity price results in a \$3.37 million dollar change (IRR: approximately two percent) to the NPV at a discount rate of eight percent. This analysis is based on a variable commodity price per pound. The Project is also slightly sensitive to changes in either CAPEX or OPEX costs as shown in Figure S-1. A five percent variation in OPEX results in a \$3.24 million variation in NPV and a five percent variation in CAPEX results in a \$3.02 million variation to the NPV. This analysis is based on an eight percent discount rate and a variable commodity price per pound.

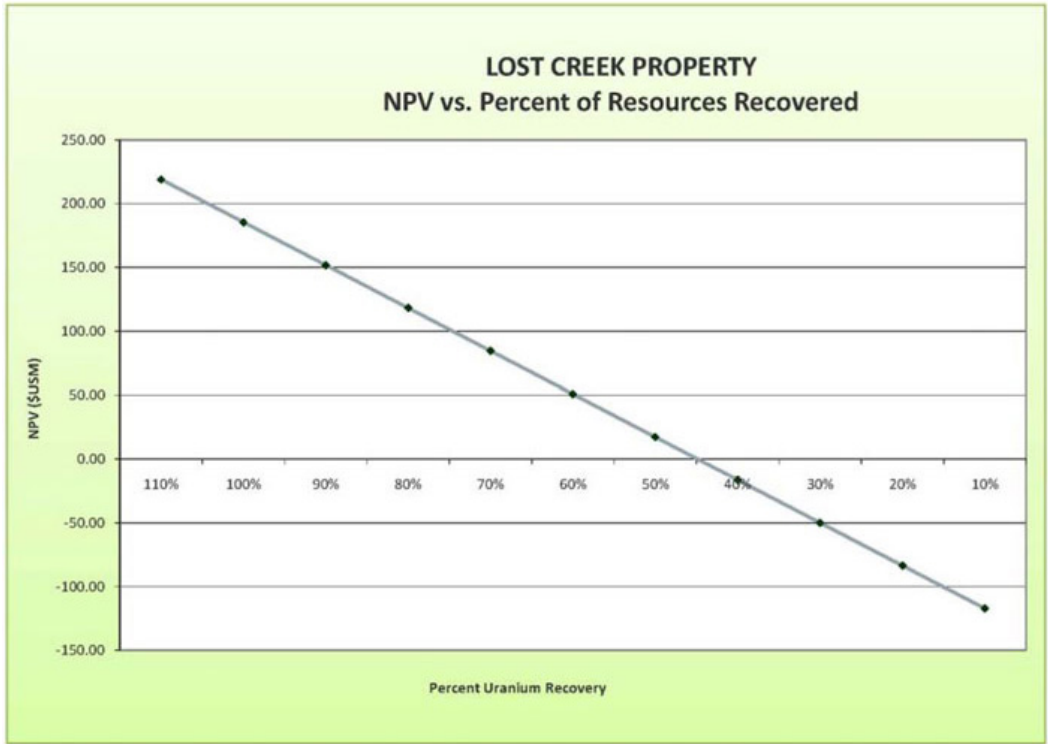
Figure S-1



The estimated quantity of uranium recovered used in this PA is based on site-specific, laboratory recovery tests and previous regional ISR mine experience. A recovery factor of 80 percent is used in this PA. Given the site-specific data, Authors Matthew Yovich, P.E. and Douglass Graves, P.E., believe that the use of the assumed recovery factor is reasonable and appropriate. However, there is no assurance that recovery at such a level will be achieved. Figure S-2, below, illustrates the sensitivity of NPV to uranium recovery. The NPV changes approximately \$33.62 million per ten percent change in uranium recovery based on an eight percent discount rate.

The estimated financial results are based on the estimated CAPEX, OPEX and closure costs and assumptions presented in this PA. Additionally, the financial results assume that uranium recovery is consistent with URE's and TREC's production model and assumed depletion rate.

Figure S-2



The Authors have assumed that URE's operations at the Project will be conducted in conformance with applicable laws, regulations and requirements of the various federal and state agencies. It is also assumed that organization and management controls will be established to ensure compliance and further implement URE's policy for providing a safe working environment including the philosophy of maintaining radiation exposures as low as is reasonably achievable (ALARA).

The Authors find that the technical and economic viability of the Project is favorable. However, this PA is preliminary in nature and uses inferred as well as measured and indicated resources. The inferred resources used in this PA are too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the mineral recovery or the economics presented in this PA will be realized. This PA is based on the assumptions and information presented herein.

Based on the findings herein, the Authors recommend that URE continues to pursue this Project. This report also identifies a number of additional recommendations including pursuit and execution of an 11(e).2 Byproduct/Waste Disposal Agreement; performance of additional delineation drilling in Resource Areas containing Indicated and Inferred Mineral Resources, and performance of further drilling along the mineralization trends to define any additional target areas both within the Project area and on the Adjoining Properties. Additionally, it is recommended that URE evaluate and pursue, if appropriate, permit license amendments to allow the construction and operation of the yellowcake drying circuit, mining of the KM Horizon and other Resource Areas that may be identified on the Project in the future.

RISK FACTORS

The Corporation operates in a dynamic and rapidly changing environment that involves numerous risks and uncertainties. The risks described below should be considered carefully when assessing an investment in the Common Shares of the Corporation. The occurrence of any of the following events could harm the Corporation. If these events occur, the trading price of the Corporation's Common Shares could decline, and shareholders may lose part or even all of their investment.

Exploration Stage Corporation

The Corporation is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Corporation's property interests are in the exploration stage. Accordingly, there is little likelihood that the Corporation will realize profits in the short term. Any profitability in the future from the Corporation's business will be dependent upon development of an economic deposit of minerals and further exploration and development of other economic deposits of minerals, each of which is subject to numerous risk factors. Further, there can be no assurance, even when an economic deposit of minerals is located, that any of the Corporation's property interests can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time which a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. It is impossible to ensure that the current exploration programs of the Corporation will result in profitable commercial mining operations. The profitability of the Corporation's operations will be, in part, directly related to the cost and success of its exploration and development programs which may be affected by a number of factors. Substantial expenditures are required to establish resources and reserves which are sufficient to commercially mine some of the Corporation's properties and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Uranium Prices

The price of uranium fluctuates. The future direction of the price of uranium will depend on numerous factors beyond the Corporation's control including international, economic and political trends; changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities, including the effects on the market due to the events following the earthquake and tsunami in Japan; governmental regulations; expectations of inflation; currency exchange fluctuations; interest rates; global or regional consumption patterns; speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of uranium, and therefore on the economic viability of the Corporation's properties, cannot accurately be predicted. As the Corporation remains at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of uranium.

Permitting, licensing and approval processes may result in conditions which the Corporation may be unable to achieve

Many of the operations of the Corporation require licenses and permits from various governmental authorities. The Corporation believes it holds or is in the process of obtaining all necessary licenses and permits to carry on the activities which it is currently conducting or proposes to conduct under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and changes in various operating circumstances. There can be no guarantee that the Corporation will be able to obtain all necessary licenses and permits that may be required to maintain its exploration and mining activities including constructing mines or milling facilities and commencing operations of any of its exploration properties. In addition, if the Corporation proceeds to production on any exploration property, it must obtain and comply with permits and licenses which may contain specific operating conditions. There can be no assurance that the Corporation will be able to obtain such permits and licenses or that it will be able to comply with any such conditions.

Environmental regulations are increasing and costly

Environmental legislation and regulation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental quality requirements and reclamation laws imposed by federal, state, provincial, and local governmental authorities may require significant capital outlays, materially affect the economics of a given property, cause material changes or delays in intended activities, and potentially expose the Corporation to litigation. The Corporation cannot accurately predict or estimate the impact of any such future laws or regulations, or future interpretations of existing laws and regulations, on the Corporation's operations. Historic mining activities have occurred on and around certain of the Corporation's properties. If such historic activities have resulted in releases or threatened releases of regulated substances to the environment, potential for liability may exist under federal or state remediation statutes.

Uranium Market and Limited Customers

The marketability of uranium and acceptance of uranium mining is subject to numerous factors beyond the control of the Corporation. The price of uranium may experience volatile and significant price movements over short periods of time. See "Risk Factors – Uranium Prices" above. Factors affecting the market include demand for nuclear power; changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities, including the effects on the market due to the events following the earthquake and tsunami in Japan; political and economic conditions in uranium mining, producing and consuming countries; costs and availability of financing of nuclear plants; reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and costs of production in geographical areas such as Russia, Africa and Australia.

Deregulation of the Electrical Utility Industry and Acceptance of Nuclear Energy

The Corporation's future prospects are tied directly to the electrical utility industry worldwide. Deregulation of the utility industry, particularly in the United States and Europe, is expected to affect the market for nuclear and other fuels for years to come, and may result in a wide range of outcomes including the expansion or the premature shutdown of nuclear reactors. Maintaining the demand for uranium at current levels and future growth in demand will depend upon acceptance of the nuclear technology as a means of generating electricity. Lack of public acceptance of nuclear technology would adversely affect the demand for nuclear power and potentially increase the regulation of the nuclear power industry.

Value of the Common Shares

The value of the Corporation's Common Shares could be subject to significant fluctuations in response to variations in quarterly and yearly operating results, the success of the Corporation's business strategy, competition, financial markets, commodity prices or applicable regulations which may affect the business of the Corporation and other factors.

No current mineral reserves

Until reserves or resources are actually mined and processed, the quantity of reserves or resources and grades must be considered as estimates only. In addition, the quantity of reserves or resources may vary depending on commodity prices. Any material change in the quantity of resources, grade, or production costs may affect the economic viability of the Corporation's properties.

Management, Dependence on Key Personnel, Contractors and Service Providers

Shareholders will be relying on the good faith, experience and judgment of the Corporation's management and advisors in supervising and providing for the effective management of the business and the operations of the Corporation and in selecting and developing new investment and expansion opportunities. The Corporation may need to recruit additional qualified employees, contractors and service providers to supplement existing management, the availability of which cannot be assured. The Corporation will be dependent on a relatively small number of key persons including specifically W. William Boberg, President and Chief Executive Officer, Harold Backer, Executive Vice President, Geology & Exploration and Wayne Heili, Vice President Mining & Engineering, the loss of any one of whom could have an adverse effect on the Corporation's business and operations. The Corporation does not hold key man insurance in respect of any of its executive officers.

Mining operations involve a high degree of risk and the results of exploration and ultimate productions are highly uncertain

The exploration for, and development of, mineral deposits involves significant risks which a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral resources or reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Corporation will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as uranium prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of uranium and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Corporation's operations will be subject to all the hazards and risks normally encountered in the exploration and development of uranium, including unusual and unexpected geology formations, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Regulatory Requirements

The Corporation's business is subject to various federal, state, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine and radiation safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, state, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively restore mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties and potentially expose the Corporation to litigation. There can be no assurance that the Corporation will be able to meet all the regulatory requirements in a timely manner or without significant expense or that the regulatory requirements will not change to delay or prohibit the Corporation from proceeding with certain exploration and development.

Possible Amendment to Mining Law of 1872

Members of the United States Congress have repeatedly introduced bills which would supplant or alter the provisions of the United States Mining Law of 1872, as amended. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact the Corporation's ability to develop mineralized material on unpatented mining claims. Such bills have proposed, among other things, to either eliminate or greatly limit the right to a mineral patent and to impose a federal royalty on production from unpatented mining claims. Although it is impossible to predict at this point what any legislated royalties might be, enactment could adversely affect the potential for development of such mining claims and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect the financial performance of the Corporation.

Additional Funding

Additional funds will be required for future exploration, development and production. The source of future funds available to the Corporation is through the sale of additional equity capital, proceeds from the exercise of convertible equity instruments outstanding or borrowing of funds. There is no assurance that such funding will be available to the Corporation. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to the Corporation or will provide the Corporation with sufficient funds to meet its objectives, which may adversely affect the Corporation's business and financial position. In addition, any future equity financings by the Corporation may result in substantial dilution for existing shareholders of the Corporation.

Competition

The international uranium industry is highly competitive. The Corporation's activities are directed toward the search, evaluation, acquisition and development of uranium deposits. There is no certainty that the expenditures to be made by the Corporation will result in discoveries of commercial quantities of uranium deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Corporation will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration and development efforts.

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Uncertain Global Economic Conditions

Current conditions in the domestic and global economies are uncertain. There continues to be a high level of market instability and market volatility with unpredictable and uncertain financial market projections. The impacts of a global recession or depression, commodity price fluctuations, the availability of capital and the acceptance of nuclear energy may have consequences on the Corporation and its share price. In addition, it could have consequences on the nuclear industry's ability to finance future construction of nuclear generating facilities. Global financial problems and lack of confidence in the strength of global financial institutions have created many economic and political uncertainties that have impacted the global economy. As a result, it is difficult to estimate the level of growth for the world economy as a whole. It is even more difficult to estimate growth in various parts of the world economy, including the markets in which the Corporation participates. All components of the Corporation's budgeting and forecasting are dependent on commodity prices and their fluctuations as well as political acceptance and policy. The prevailing economic uncertainties render estimates of future expenditures difficult.

Acquisitions and Integration

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

Lack of Earnings and Dividend Record

The Corporation has no earnings or dividend record. It has not paid dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. Payments of any dividends will be at the discretion of the board of directors of the Corporation after taking into account many factors, including the Corporation's financial condition and current and anticipated cash needs.

Impact of Hedging Activities on Profitability

Although the Corporation has no present intention to do so, it may hedge a portion of its future uranium production to protect it against low uranium prices and/or to satisfy covenants required to obtain project financings. Hedging activities are intended to protect the Corporation from the fluctuations of the price of uranium and to minimize the effect of declines in uranium prices on results of operations for a period of time. Although hedging activities may protect a company against low uranium prices, they may also limit the price that can be realized on uranium that is subject to forward sales and call options where the market price of uranium exceeds the uranium price in a forward sale or call option contract.

Title to Property May Be Uncertain

Although the Corporation has obtained title opinions with respect to certain of its properties and has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Corporation's interests. The Corporation's mineral properties in the United States consist of leases to private mineral rights, leases covering state lands and unpatented mining claims. Many of the Corporation's mining properties in the United States are unpatented mining claims to which the Corporation has only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper posting and marking of boundaries and possible conflicts with other claims not determinable from descriptions of record. The present status of the Corporation's unpatented mining claims located on public lands allows the Corporation the exclusive right to mine and remove valuable minerals. The Corporation is allowed to use the surface of the public lands solely for purposes related to mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States. The Corporation remains at risk that the mining claims may be forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements. The Corporation has taken or will take appropriate curative measures to ensure proper title to its properties where necessary and where possible.

Land Claims

Certain properties in which the Corporation has an interest may be the subject of aboriginal land claims. As a result of these claims, the Corporation may be significantly delayed or unable to pursue exploration and production activities in respect of these properties or may have to expend considerable management resources and funds to adequately meet the regulatory requirements to pursue activities in respect of these properties.

Litigation

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. From time to time, the Corporation may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. If the Corporation is unable to resolve any such disputes favourably, it could have a material adverse effect on the Corporation's financial position, results of operations or the Corporation's property development.

Uninsured Hazards

The Corporation currently carries insurance coverage for general liability, directors' and officers' liability and other matters. The Corporation intends to carry insurance to protect against certain risks in such amounts as it considers adequate. The nature of the risks the Corporation faces in the conduct of its operations is such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Corporation's business and financial position.

Conflicts of Interest

Certain directors of the Corporation also serve as directors and officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with the Corporation and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material interest.

U.S. Federal Income Tax Consequences to U.S. Shareholders Under the Passive Foreign Investment Company Rules

The Corporation expects, based upon current business plans and financial expectations, that it will be classified as a “passive foreign investment company” (a “PFIC”) as such term is defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”) for the current tax year and may be a PFIC in future tax years. If the Corporation is a PFIC for any year during a U.S. shareholder’s holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of Common Shares, or any so-called “excess distribution” received on its Common Shares, as ordinary income, and to pay an interest charge on a portion of such gain or distributions.

The adverse tax consequences under the PFIC rules may be reduced or mitigated if a U.S. shareholder makes a timely and effective “qualified electing fund” election (“QEF Election”) or a “mark-to-market” election with respect to the Common Shares. A U.S. shareholder who makes a QEF Election generally must report on a current basis its share of the Corporation’s net capital gain and ordinary earnings for any year in which the Corporation is a PFIC, whether or not the Corporation distributes any amounts to its shareholders. The Corporation will use its commercially reasonable efforts to make available to U.S. Holders, upon their written request: (a) timely and accurate information as to its status as a PFIC and the PFIC status of any subsidiary in which the Corporation owns more than 50% of such subsidiary’s total aggregate voting power, and (b) for each year in which the Corporation is a PFIC, upon written request, all information and documentation that such purchaser making a “qualified electing fund” election pursuant to Section 1295 of the U.S. Internal Revenue Code with respect to the Corporation and each more than 50% owned subsidiary which constitutes a PFIC is required to obtain for U.S. federal income tax purposes. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the taxpayer’s basis therein. Each U.S. shareholder should consult its own tax advisor regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership, and disposition of Common Shares.

Status as a Foreign Private Issuer

Ur-Energy is a “foreign private issuer,” as such term is defined in Rule 405 under the Securities Act, and, therefore, it is not required to comply with all the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and related rules and regulations. In order for the Corporation to maintain its current status as a foreign private issuer, a majority of its Common Shares must be either directly or indirectly owned of record by non-residents of the U.S., as it does not currently satisfy any of the additional requirements necessary to preserve this status. The Corporation may in the future lose its foreign private issuer status if a majority of its shares are owned of record by residents of the U.S. and it continues to fail to meet the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to the Corporation under U.S. securities laws as a U.S. domestic issuer may be significantly more than the costs it incurs as a Canadian foreign private issuer eligible to use the Multi-Jurisdictional Disclosure System (“MJDS”). If it is not a foreign private issuer, it would not be eligible to use the MJDS or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms required of a foreign private issuer. In addition, the Corporation may lose the ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers. Further, if the Corporation engages in capital raising activities through private placements after losing its foreign private issuer status, there is a higher likelihood that investors may require the Corporation to file resale registration statements with the SEC as a condition to any such financing.

DIVIDENDS

As of the date hereof, the Corporation has not paid any dividends on its outstanding Common Shares and has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be dependent upon the financial requirements of the Corporation to finance future growth, the general financial condition of the Corporation and other factors which the board of directors of the Corporation may consider appropriate in the circumstances.

CAPITAL STRUCTURE OF THE CORPORATION

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Class A Preference Shares. As of March 17, 2011, 103,437,680 Common Shares are issued and outstanding and no preferred shares are issued and outstanding. The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Corporation. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Corporation and the distribution of the residual assets of the Corporation in the event of a liquidation, dissolution or winding up of the Corporation.

The Corporation's Class A Preference Shares are issuable by the directors in one or more series and the directors have the right and obligation to fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series. The rights of the holders of Common Shares will be subject to, and may be adversely affected by, the rights of the holders of any Class A Preference Shares that may be issued in the future. The Class A Preference Shares, may, at the discretion of the board of directors, be entitled to a preference over the common shares and any other shares ranking junior to the Class A Preference Shares with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding up.

MARKET FOR SECURITIES OF THE CORPORATION

Since November 29, 2005, the Corporation's Common Shares have been listed and posted for trading on the Toronto Stock Exchange under the trading symbol "URE." The following table sets forth the price range per share and trading volume for the Common Shares:

	Common Shares		
	Volume	High	Low
	(CDNS)		
2010			
January	6,446,800	\$ 1.03	\$ 0.81
February	4,280,000	\$ 0.90	\$ 0.77
March	4,520,100	\$ 0.88	\$ 0.78
April	2,587,800	\$ 0.95	\$ 0.83
May	5,309,400	\$ 1.08	\$ 0.90
June	2,304,300	\$ 1.02	\$ 0.82
July	3,199,500	\$ 0.92	\$ 0.76
August	1,727,300	\$ 0.90	\$ 0.83
September	5,309,300	\$ 1.02	\$ 0.85
October	9,903,800	\$ 1.52	\$ 0.97
November	14,189,600	\$ 2.34	\$ 1.33
December	11,711,300	\$ 3.03	\$ 2.12
2011			
January	12,866,900	\$ 3.34	\$ 2.46
February	12,962,400	\$ 3.35	\$ 2.58
March 1-16	16,968,500	\$ 2.80	\$ 1.22

Since July 24, 2008, the Corporation's Common Shares have been listed for trading on the NYSE Amex Exchange under the trading symbol "URG." The following table sets forth the price range per share and trading volume for the Common Shares:

	Common Shares		
	Volume	High	Low
	(US\$)		
2010			
January	1,617,700	\$ 1.00	\$ 0.78
February	1,970,600	\$ 0.92	\$ 0.73
March	2,261,200	\$ 0.86	\$ 0.76
April	2,176,600	\$ 0.96	\$ 0.82
May	6,439,600	\$ 1.06	\$ 0.84
June	2,852,700	\$ 1.00	\$ 0.78
July	1,318,500	\$ 0.88	\$ 0.73
August	1,153,700	\$ 0.88	\$ 0.80
September	5,602,400	\$ 1.01	\$ 0.81
October	10,862,600	\$ 1.48	\$ 0.96
November	27,888,200	\$ 2.29	\$ 1.32
December	35,090,700	\$ 3.05	\$ 2.09
2011			
January	33,820,800	\$ 3.33	\$ 2.48
February	26,079,600	\$ 3.37	\$ 2.63
March 1-16	36,039,900	\$ 2.56	\$ 1.25

DIRECTORS AND EXECUTIVE OFFICERS

Set out below are the names, committee memberships (as at the date hereof), municipalities of residence, principal occupations and periods of service of the directors and executive officers of the Corporation.

Name and Municipality of Residence	Position with Corporation and Principal Occupation Within the Past Five Years	Period(s) of Service as a Director	Common Shares Beneficially Owned or Subject to Control or Direction
Jeffrey T. Klenda Golden, Colorado	Chair and Executive Director	August 2004 – present	1,649,900
W. William Boberg ⁽⁵⁾ Morrison, Colorado	President, Chief Executive Officer and Director	January 2006 – present	579,465
James M. Franklin ^{(1) (5)} Ottawa, Ontario	Consulting Geologist Director	March 2004 – present	450,000
Paul Macdonell ^{(1) (2) (3)(4) (6)} Mississauga, Ontario	Consulting Geologist / Adjunct Professor of Geology Queen's University, Laurentian University and University of Ottawa Director	March 2004 – present	90,000
Thomas Parker ^{(1) (2) (3)(4)(5)} Kalispell, Montana	Senior Mediator, Government of Canada Director	July 2007 – present	4,000
Roger Smith ⁽⁴⁾ Littleton, Colorado	Mining Corporation Executive Chief Financial Officer and Vice President, Finance, IT & Administration	N/A	31,982
Harold A. Backer Parker, Colorado	Executive Vice President Geology and Exploration	N/A	Nil
Paul Pitman Brampton, Ontario	Vice President, Canadian Exploration	March 2004 – May 2007	Nil
Wayne Heili Casper, Wyoming	Vice-President, Mining and Engineering	N/A	5,000
Paul G. Goss Littleton, Colorado	General Counsel and Corporate Secretary	N/A	Nil

(1) Member of the Audit Committee. Dr. Franklin joined the Audit Committee as a temporary member in May 2010, following the resignation of Mr. Robert Boaz. Dr. Franklin became a regular member of the Audit Committee in October 2010.

(2) Member of the Compensation Committee.

(3) Member of the Corporate Governance and Nominating Committee.

(4) Member of Treasury and Investment Committee.

(5) Member of the Technical Committee

(6) Mr. Macdonell was a director of Wedge Energy International Inc. ("Wedge"). Wedge was subject to a Management Cease Trade Order imposed by the Ontario Securities Commission ("OSC") on May 31, 2007. The Order was lifted by the OSC on August 14, 2007.

The following sets out additional information with respect to the age, education, experience and employment history of each of the directors and executive officers referred to above during the past five years.

Directors

Jeffrey T. Klenda, 54, B.A.

Chair & Executive Director

Mr. Klenda graduated from the University of Colorado in 1980 and began his career as a stockbroker specializing in venture capital offerings. Prior to founding the Corporation in 2004, he worked as a Certified Financial Planner and was a member of the International Board of Standards and Practices. In 1986, he started Klenda Financial Services, an independent financial services company providing investment advisory services to high-end individual and corporate clients as well as providing venture capital to corporations seeking entry to the U.S. securities markets. In the same year Mr. Klenda formed Independent Brokers of America, Inc., a national marketing organization. He also served as President of Security First Financial, a company he founded to provide consultation to individuals and corporations seeking investment management and early stage funding. Over the last 30 years, Mr. Klenda has acted as an officer and/or director for numerous publicly traded companies. Mr. Klenda has served as the Chair of the Board of Directors and Executive Director of the Corporation since 2006.

W. William (Bill) Boberg, 71, M.Sc., P. Geo

President, Chief Executive Officer & Director

Mr. Boberg is the Corporation's President and Chief Executive Officer and a director (since January 2006). Previously, Mr. Boberg was the Corporation's senior U.S. geologist and Vice President U.S. Operations (September 2004 to January 2006). Before his initial involvement with the Corporation in 2004, he was a consulting geologist having over 40 years experience investigating, assessing and developing a wide variety of mineral resources in a broad variety of geologic environments in western North America, South America and Africa. Companies that Mr. Boberg has worked for include Gulf Minerals, Hecla Mining, Anaconda, Continental Oil Minerals Department, Wold Nuclear, Kennecott, Western Mining, Canyon Resources and Africa Mineral Resource Specialists. Mr. Boberg has over twenty years of experience exploring for uranium in the continental U.S. He discovered the Moore Ranch Uranium Deposit, the Ruby Ranch Uranium Deposit as well as several smaller deposits in Wyoming's Powder River Basin. He received his Bachelor's Degree in Geology from Montana State University and his Master's Degree in Geology from the University of Colorado. He is a registered Wyoming Professional Geologist and fellow of the Society of Economic Geologists. He is a member of the Society for Mining, Metallurgy & Exploration Inc., American Institute of Professional Geologists (for which he is a certified geologist), the Denver Regional Exploration Society and the American Association of Petroleum Geologists. Mr. Boberg is also a director for Aura Silver Resources Inc. (since June 2008).

James M. Franklin, 68, Ph. D., FRSC, P. Geo

Director & Chair of the Technical Committee

Dr. Franklin has over 40 years experience as a geologist. He is a Fellow of the Royal Society of Canada. Since January 1998, he has been an Adjunct Professor at Queen's University, since 2001, at Laurentian University and since 2006 at the University of Ottawa. He is a past President of the Geological Association of Canada and of the Society of Economic Geologists. He retired as Chief Geoscientist, Earth Sciences Sector, the Geological Survey of Canada in 1998. Since that time, he has been a consulting geologist and is currently a director of Aura Silver Resources Inc. (since October 2003) and of Nuinsco Resources Ltd. (since December 2010).

Paul Macdonell, 58, *Diploma Public Admin.*

*Director & Chair of Compensation Committee
Chair of Corporate Governance and Nominating Committee*

Mr. Macdonell is a Senior Mediator, Federal Mediation and Conciliation Service for the Government of Canada. Previously Mr. Macdonell was employed since 1976 by the Amalgamated Transit Union, serving as President of the Union from 1996 to 2000 and Financial Secretary 1991 to 1995. Mr. Macdonell was Municipal Councillor of the City of Cumberland from 1978 to 1988 and was on the City's budget committee during that time. He graduated (diploma) at University of Western Ontario in Public Administration and completed programs at University of Waterloo (Economic Development Certificate), The George Meany Centre in Washington (Labour Studies) and Harvard University (Program on Negotiations).

Thomas Parker, 68, *M.Sc., P.E.*

*Director & Chair of the Audit Committee
Chair Treasury & Investment Committee*

Mr. Parker has worked extensively in senior management positions in the mining industry for the past 45 years. Mr. Parker is a mining engineer graduate from South Dakota School of Mines, with a Master's Degree in Mineral Engineering Management from Penn State. Mr. Parker is President and CEO, and a director, of U.S. Silver Corporation. Prior to this position, Mr. Parker was President and CEO of Gold Crest Mines, Inc., a Spokane-based gold exploration company, before which he was the President and CEO of High Plains Uranium, Inc. a junior uranium mining company acquired by Energy Metals in January 2007. Mr. Parker also served for 10 years as Executive Vice President of Anderson and Schwab, a management consulting firm. Prior to Anderson and Schwab, Mr. Parker held many executive management positions with, including Costain Minerals Corporation, ARCO, Kerr McGee Coal Corporation and Conoco. He also has worked in the potash, limestone, talc, coal and molybdenum industries and has extensive experience in Niger, France and Venezuela.

Additional Executive Officers

Roger L. Smith, 52, *CPA, MBA*

*Chief Financial Officer and Vice President,
Finance, IT and Administration*

Mr. Smith has 25 years of mining and manufacturing experience including finance, accounting, IT, ERP and systems implementations, mergers, acquisitions, audit, tax and public and private reporting in international environments. Mr. Smith joined Ur-Energy in May 2007 after having served as Vice President, Finance for Luzenac America, Inc., a subsidiary of Rio Tinto PLC and Director of Financial Planning and Analysis for Rio Tinto Minerals, a division of Rio Tinto PLC from September 2000 to May 2007. Mr. Smith has also held such positions as Vice President Finance, Corporate Controller, Accounting Manager, and Internal Auditor with companies such as Vista Gold Corporation, Westmont Gold Inc. and Homestake Mining Corporation. He has a Masters of Business Administration and Bachelor of Arts in Accounting from Western State College, Gunnison, Colorado.

Harold A. Backer, 69, *B.Sc.*

Executive Vice President, Geology & Exploration

Mr. Backer is the Corporation's Executive Vice President, Geology & Exploration. He has over 42 years experience in the mining industry participating in major exploration programs in the commodities of gold, uranium, copper, and phosphate. In exploration, he has worked for Kalium Chemicals, Chevron Resources and as Senior VP Exploration for Goldbelt Resources. As a Consulting Economic Geologist, he has participated in numerous pre-feasibility mining studies (open pit and underground projects) as a team leader and in a management position on projects in North America and in the countries of the former Soviet Union. Mr. Backer joined Ur-Energy more than five years ago and has assumed various responsibilities as an officer before becoming Executive VP of Geology & Exploration. He received his Bachelor's Degree in Geology from Colorado State University, and he did his graduate studies in geology at New Mexico Institute of Mining and Technology. He has a Certificate of Financial Management from the University of Denver.

Paul W. Pitman, 63, *B.Sc. Hon. Geo., P. Geo*

Vice President, Canadian Exploration

Mr. Pitman has over 40 years experience as an exploration geologist. He began his career with Gulf Minerals as a field geologist at the Rabbit Lake uranium discovery, Saskatchewan, in 1969, followed by work in the late 1970s -1980s as a senior geologist for BP Minerals exploring for uranium across Canada. Mr. Pitman was President of Ur-Energy from its inception up to January 2006.

Wayne W. Heili, 45, *B.Sc.*

Vice President, Mining & Engineering

Mr. Heili is the Corporation's Vice President, Mining & Engineering. His career spans more than 20 years in which he has provided engineering, construction, operations and technical support in the uranium mining industry. He spent 16 years in various operations level positions with Total Minerals and Cogema Mining at their properties in Wyoming and Texas. He was Operations Manager of Cogema's Wyoming in-situ recovery projects from 1998 to 2004. Since then, Mr. Heili acted as a consultant for such companies as High Plains Uranium, Energy Metals and Behre Dolbear. His experience includes conventional and ISR uranium processing facility operations. Mr. Heili received a Bachelor of Science in Metallurgical Engineering from Michigan Technological University, with an emphasis in mineral processing.

Paul G. Goss, 68, *JD, MBA*

General Counsel & Corporate Secretary

Mr. Goss has over 35 years of diverse transactional experience in complex business, real estate and natural resources transactions, including more than five years with a national-practice firm. In addition to his transactional experience, he has represented clients in commercial litigation, arbitration and mediation, involving mining, oil and gas, real estate, corporate law, securities and environmental law. He served in the capacities of President and General Counsel of Polaris Coal Company from 1990 through 2001. He obtained his Juris Doctor, cum laude from the University of Denver College of Law. He also obtained a Master of Business Administration from Indiana State University and a Bachelor of Science from Rose-Hulman Institute of Technology.

The term of office for each director is from the date of the meeting at which he or she is elected until the next annual meeting of shareholders of the Corporation or until his or her successor is elected or appointed, unless his or her office is vacated before that time in accordance with the by-laws of the Corporation.

As at March 17, 2010, the directors and executive officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercised control or direction over 2,810,347 Common Shares, representing approximately 2.71% of the Corporation's outstanding Common Shares. The information as to securities beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation and has been furnished by the directors and executive officers individually.

Except as noted under the heading "Directors and Executive Officers," none of the directors or officers of the Corporation is, or has been within the prior ten years, a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issue access to any statutory exemptions under Canadian securities legislation for a period of more than 30 consecutive days or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

None of the directors or officers of the Corporation has, during the ten prior years, become bankrupt, made a proposal under any legislation related to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the director or officer.

AUDIT COMMITTEE

Audit Committee Mandate

The Audit Committee reviews its charter on a yearly basis, and did so most recently on March 4, 2011. The text of the Amended and Restated Audit Committee Charter amended by the Corporation's Board of Directors on August 7, 2008, and which remains unchanged, is attached as Schedule "A."

Composition of the Audit Committee

As of March 17, 2011, the Audit Committee of the Corporation (the "Committee") was composed of Thomas Parker (Chair), Paul Macdonell, and James Franklin. Dr. Franklin became a member of the Committee following the resignation of Robert Boaz who resigned as a director of the Corporation in May 2010. Mr. Boaz was a member of the Committee from 2006 until his resignation.

The Board of Directors believes that the composition of the Committee reflects financial literacy and expertise. Currently, Thomas Parker, Paul Macdonell, and James Franklin have been determined by the Board to be independent pursuant to National Instrument 52-110 Audit Committees ("NI 52-110") and the listing standards of the NYSE Amex. Each of the members is financially literate as defined in NI 52-110 and as defined under U.S. securities laws and stock exchange rules. Mr. Parker is the Committee's "designated financial expert" as that term is defined by the rules of the SEC and the NYSE Amex Company Guide. The Board had made a similar determination with respect to Mr. Boaz before he resigned as a director in May 2010. The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Committee. Each member's education and experience relevant to the performance of his responsibilities as a Committee member is set forth, above, in his biography.

Pre-Approval Policies and Procedures

The Committee has instituted a policy to pre-approve audit and non-audit services. The Chair of the Audit Committee is given limited delegated authority from time to time by the Committee to pre-approve permitted non-audit services. The Committee also considers on a continuing basis whether the provision of non-audit services is compatible with maintaining the independence of the external auditor.

External Auditors and Service Fees

PricewaterhouseCoopers LLP and its affiliates have been the auditors of the Corporation since December 2004. PricewaterhouseCoopers is independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of PCAOB Rule 3520, Auditor Independence

Audit Fees

Audit fees of \$90,000 related to the audit of the consolidated financial statements for the period from January 1, 2010 to December 31, 2010 were accrued in 2010 of which \$60,000 was paid in 2010 and \$20,000 has been paid to date in 2011 and audit fees of \$115,000 for the period from January 1, 2009 to December 31, 2009 plus an additional \$5,000 related to the 2008 audit was paid in 2010.

Audit-Related Fees

Audit-related fees of \$51,000 were billed for services relating to the period January 1, 2010 to December 31, 2010. These fees related to services in connection quarterly reviews of the consolidated financial statements and other regulatory filings. An additional \$2,500 was billed and paid in 2011 related to an amended filing. Audit-related fees of \$7,000 for the period January 1, 2009 to December 31, 2009 were paid in 2010 and related to the quarterly reviews of the consolidated financial statements and work in connection with the Corporation's securities filings as required by the Canadian and United States government.

Tax Fees

There were fees of \$1,379 for tax services relating to the fiscal year ended December 31, 2010 and there were fees of \$4,000 for tax services related to the fiscal year ended December 31, 2009.

All Other Fees

There were no other fees incurred for the fiscal year ended December 31, 2010 or the fiscal year ended December 31, 2009.

CONFLICTS OF INTEREST

Certain of the Corporation's directors and officers also serve as directors and officers of one or more mining, exploration or resource companies. Such directors and officers are also in many cases shareholders of one or more of the foregoing companies. While there is a potential for conflicts of interest to arise in such situations, that potential is minimized because of the nature of the exploration and activities of these other companies.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or officers of the Corporation has had any material interest, direct or indirect, in any material transaction since the incorporation of the Corporation or in any proposed transaction which has or may materially affect the Corporation.

BlackRock Inc. an insider of the Corporation, through one of its investment advisory subsidiaries, participated in a brokered private placement financing under which the Corporation issued 5,000,000 Common Shares at a price of \$1.00 per share for gross proceeds of \$5,000,000. Through its subsidiary, BlackRock, Inc. subscribed for all of the 5,000,000 Common Shares issued under the placement, following which BlackRock Inc. held approximately 16.16% of the issued and outstanding shares of the Corporation. In January 2011, BlackRock Inc. filed a Schedule 13G/A with the SEC in which it disclosed that it then held approximately 14.89% of the issued and outstanding Common Shares of the Corporation.

Certain of the directors and/or officers of the Corporation are also directors and/or officers of other natural resource companies. See “*Conflicts of Interests*,” above. Consequently, there exists the possibility for such directors and/or officers to be a position of conflict. Any decision made by any of such directors and/or officers of the Corporation will be made in accordance with their duties and obligations to deal fairly and in good faith with the Corporation and such other companies. In addition, at meetings of the board of directors of the Corporation, any director with an interest in a matter being considered will declare such interest and refrain from voting on such matter.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the Corporation’s registrar and transfer agent. The register of the transfers of the Common Shares of the Corporation is located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1. Computershare Trust Company N.A. is the U.S. Co-Transfer Agent and Co-Registrar for the Corporation, and is located in Golden, Colorado.

MATERIAL CONTRACTS

The Corporation completed a brokered private placement financing under which the Corporation issued 5,000,000 Common Shares at a price of \$1.00 per share for gross proceeds of \$5,000,000. Blackrock, Inc., an insider of the Corporation, through one of its investment advisory subsidiaries, subscribed for all of the 5,000,000 Common Shares issued under the placement.

The Corporation entered into an underwriting agreement dated February 11, 2011 (the “Underwriting Agreement”) with Canaccord Genuity Corp., Raymond James Ltd., Rodman & Renshaw, LLC, Macquarie Capital Markets Canada Ltd. and Roth Capital Partners, LLC. See above “General Development of the Business – Corporate and Financing Developments”. The Underwriting Agreement was terminated on March 11, 2011.

There were no other contracts entered into by the Corporation for the fiscal year ending December 31, 2010 which were material and entered into outside the ordinary course of business, or in the ordinary course of business under the criteria set out in National Instrument 51-102 – *Continuous Disclosure Obligations*.

INTERESTS OF EXPERTS

As of March 17, 2011, Douglass H. Graves, P.E. of TREC, Inc. and the co-author of the Corporation’s technical report under NI 43-101 in respect of the *Lost Creek Property Preliminary Assessment Lost Creek Property Sweetwater County Wyoming* (March 16, 2011), does not own beneficially, directly or indirectly, or exercise any control over, any of the outstanding Common Shares of the Corporation.

As of March 17, 2011, Matthew J. Yovich, P.E. of TREC, Inc. and the co-author of the Corporation’s technical report under NI 43-101 in respect of the *Lost Creek Property Preliminary Assessment Lost Creek Property Sweetwater County Wyoming* (March 16, 2011), does not own beneficially, directly or indirectly, or exercise any control over, any of the outstanding Common Shares of the Corporation.

As of March 17, 2011, Robert D. Maxwell, CPG of Behre Dolbear & Company (USA), Inc. and the co-author of the Corporation's technical report under NI 43-101 in respect of the *Lost Creek Property Preliminary Assessment Lost Creek Property Sweetwater County Wyoming* (March 16, 2011), does not own beneficially, directly or indirectly, or exercise any control over, any of the outstanding Common Shares of the Corporation.

As of March 17, 2011, C. Stewart Wallis, P.Geol., of Sundance Geological Ltd. and the author of the Corporation's technical report under NI 43-101 in respect of the *Technical Report on the Lost Soldier Project, Wyoming* (July 2006), does not own beneficially, directly or indirectly, or exercise any control over, any of the outstanding Common Shares of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com and filed with the U.S. Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

Upon request to the Corporate Secretary of the Corporation at the Corporation's registered office, 55 Metcalfe Street, Suite 1300, Ottawa, Ontario K1P 6L5, the Corporation will provide any person with a copy of:

- (a) this annual information form;
- (b) the management information circular prepared by the Corporation in connection with its annual and special meeting of shareholders held on June 24, 2010;
- (c) any of the Corporation's unaudited interim reports to shareholders issued after December 31, 2010; and
- (d) any other documents that are incorporated by reference into a preliminary short form prospectus or short form prospectus filed in respect of a distribution of securities of the Corporation.

A copy of any of these documents may be obtained without charge at any time when a preliminary short form prospectus has been filed in respect of a distribution of any securities of the Corporation or any securities of the Corporation are in the course of a distribution pursuant to a short form prospectus. At any other time, any document referred to in (a) to (c) above may be obtained by security holders of the Corporation without charge and by any other person upon payment of a reasonable charge.

Additional information including directors' and executive officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities, where applicable, will be contained in the management information circular prepared by the Corporation in connection with its annual and special meeting of shareholders expected to be held on April 27, 2011. Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2010.

UR-ENERGY INC.

**AMENDED AND RESTATED
AUDIT COMMITTEE CHARTER**

**AS AMENDED
AUGUST 7, 2008**

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1. PURPOSE

The purpose of the Audit Committee of Ur-Energy Inc. (the "Corporation") is to assist the board of directors of the Corporation (the "Board") in fulfilling its oversight responsibilities for (1) the integrity of the Corporation's accounting and financial reporting processes, (2) the Corporation's compliance with legal and regulatory requirements, (3) the independence and qualifications of the Corporation's independent auditors, and (4) the performance of the Corporation's internal audit function and independent auditors.

2. AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Recommend to the Board and to the shareholders the nomination of the independent auditors and the compensation of the independent auditors, subject to shareholder approval.
 - Oversee the work of the independent auditors employed by the Corporation to conduct the annual audit and quarterly reviews. The independent auditors will report directly to the Audit Committee.
 - Resolve any disagreements between management and the independent auditors regarding financial reporting.
 - Pre-approve all auditing and permitted non-audit services performed by the Corporation's independent auditors, subject to and in accordance with applicable Canadian and US securities laws, including Section 10A(i)(1)(B) of the US Securities Exchange Act of 1934, as amended (the "Exchange Act").
 - Retain independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of an investigation.
 - Seek any information the Audit Committee requires from employees, all of whom are directed to cooperate with the Audit Committee's requests, or external parties.
 - Meet with Corporation officers, independent auditors, or outside counsel, as necessary.
 - Retain such outside counsel, experts or other advisors as the Audit Committee may deem appropriate in its sole discretion along with approval of related fees and retention terms.
 - The Audit Committee may delegate authority to subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full Audit Committee at its next scheduled meeting.
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3. COMPOSITION

The Audit Committee will consist of at least three members of the Board. The Board will appoint Audit Committee members and the Chair of the Audit Committee. In selecting the members and chair, the Board takes into consideration those directors who bring background, skills and experience relevant to financial statement review and analysis.

Each Audit Committee member will be both independent and financially literate as set forth under applicable stock exchange rules, Multilateral Instrument 52-110 Audit Committees and Rule 10A-3 under the Exchange Act and subject to exemptions set forth therein.

4. MEETINGS

The Audit Committee will meet at least once in each calendar quarter, with authority to convene additional meetings, as circumstances require. All Audit Committee members are expected to attend each meeting, in person or via telephone- or video-conference. A quorum of the Audit Committee is a majority of its members. The Audit Committee will invite members of management, the independent auditors or others to attend meetings and provide pertinent information, as necessary. It will meet separately, periodically, with management, with internal auditors and with independent auditors. It will also meet periodically in executive session. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

5. RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities:

A. Financial Statements

- Review significant accounting and reporting issues and understand their impact on the financial statements. These issues may include:
 - Complex or unusual transactions and highly judgmental areas;
 - Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; or
 - The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
 - Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements
 - Review with management and the independent auditors the results of the audit, including any difficulties encountered. This review will include any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
 - Discuss the annual audited financial statements and quarterly financial statements with management and the independent auditors, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
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- Review disclosures made by chief executive officer and chief financial officer during the annual and quarterly certification process about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Corporation's internal controls.
- Discuss earnings press releases (particularly use of "pro forma," or "adjusted" non-GAAP, information), as well as financial information and earnings guidance provided to analysts and rating agencies. This review may be general (i.e., the types of information to be disclosed and the type of presentations to be made). The Audit Committee does not need to discuss each release in advance.

B. Internal Control

- Consider the effectiveness of the Corporation's internal control system, including information technology security and control.
- Understand the scope of internal and independent auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

C. Internal Audit

- Review with management and the chief financial officer, the Audit Committee charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief financial officer.
- Review the effectiveness of the internal audit function.
- On a regular basis, meet separately with the chief financial officer to discuss any matters that the Audit Committee or internal audit believes should be discussed privately.

D. Independent Audit

- Review the independent auditor's proposed audit scope and approach, including coordination of audit effort with internal audit.
 - Review the performance of the independent auditors, and recommend approval on the appointment or discharge of the independent auditors to the Board and to the shareholders. In performing this review, the Audit Committee will:
 - o At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the independent auditor's independence) all relationships between the independent auditor and the Corporation, including in accordance with Independence Standards Board Standard 1;
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- o Take into account the opinions of management and internal audit;
 - o Review and evaluate the lead partner of the independent auditor; and
 - o Present its conclusions with respect to the independent auditor to the Board.
- Ensure the rotation of the lead audit partner every five years and other audit partners every seven years, and consider whether there should be regular rotation of the audit firm itself.
 - Present its conclusions with respect to the independent auditor to the Board.
 - Set clear hiring policies for employees or former employees of the independent auditors.
 - On a regular basis, meet separately with the independent auditors to discuss any matters that the Audit Committee or independent auditors believe should be discussed privately.

E. Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters.
- Review the findings of any examinations by regulatory agencies, and any internal or independent auditor observations.
- Review and approve in advance any proposed "related person" transactions that the Corporation is required to disclose in any reports the Corporation is required to file.

F. Reporting Responsibilities

- Regularly report to the Board about Audit Committee activities and issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditors, and the performance of the internal audit function.
 - Provide an open avenue of communication between internal audit, the independent auditors, and the Board.
 - Report annually to the shareholders, describing the Audit Committee's composition, responsibilities and how they were discharged, and any other information required by applicable stock exchange rules or securities laws, including approval of non-audit services.
 - Review the Annual Information Form and report thereon to the Board.
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- Prepare the Audit Committee's annual report for the Corporation's management proxy circular.
- Review any other reports the Corporation issues that relate to Audit Committee responsibilities.

G. Other Responsibilities

- Discuss with management the Corporation's major policies with respect to risk assessment and risk management.
 - Perform other activities related to this Audit Committee charter as requested by the Board.
 - Institute and oversee special investigations as needed.
 - Review and assess the adequacy of the Audit Committee charter annually, requesting board of director approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
 - Confirm annually that all responsibilities outlined in this Audit Committee charter have been carried out.
 - Evaluate the Audit Committee's and individual members' performance at least annually.
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Ur-Energy Inc.
(an Exploration Stage Company)
Headquartered in Littleton, Colorado

Management's Discussion and Analysis

December 31, 2010

(expressed in Canadian dollars)

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Year Ended December 31, 2010

(Information as at March 17, 2011 unless otherwise noted)

Introduction

The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. The Company is headquartered in Littleton, CO with assets predominantly located in the United States. The consolidated financial statements include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries Ur-Energy USA Inc.; NFU Wyoming, LLC; Lost Creek ISR, LLC; NFUR Bootheel, LLC; Hauber Project LLC; NFUR Hauber, LLC; ISL Resources Corporation; ISL Wyoming, Inc.; and CBM-Energy Inc. All inter-company balances and transactions have been eliminated upon consolidation. Ur-Energy Inc. and its wholly-owned subsidiaries are collectively referred to herein as "Ur-Energy" or the "Company".

The following provides management's discussion and analysis of results of operations and financial condition for the years ended December 31, 2010, 2009 and 2008. Management's Discussion and Analysis ("MD&A") was prepared by Company management and approved by the board of directors on March 17, 2011. This discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles.

Ur-Energy Inc.

(an Exploration Stage Company)

Management's Discussion and Analysis For the Year Ended December 31, 2010

(Information as at March 17, 2011 unless otherwise noted)

Forward-Looking Information

This MD&A contains "forward-looking statements" within the meaning of applicable United States and Canadian securities laws, and these forward-looking statements can be identified by the use of words such as "expect", "anticipate", "estimate", "believe", "may", "potential", "intends", "plans" and other similar expressions or statements that an action, event or result "may", "could" or "should" be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) the technical and economic viability of the Lost Creek Project (including the projections contained in the preliminary analysis of economics of the Lost Creek Project); (ii) the Company's belief that it will have sufficient cash to fund its capital requirements; (iii) receipt of (and related timing of) a U.S. Nuclear Regulatory Commission Source and Byproduct Materials License; Wyoming Department of Environmental Quality Permit and License to Mine; Record of Decision from the U.S. Bureau of Land Management, and all other necessary permits related to the Lost Creek Project; (iv) the Lost Creek Project will advance to production and the production timeline; (v) production rates, timetables and methods of recovery at the Lost Creek Project; (vi) the Company's procurement and construction plans at the Lost Creek Project; (vii) the ability to complete additional uranium sales agreements, and upon what terms; (viii) the prospect for further development of, and the licensing and permitting process for Lost Soldier; (ix) the potential of new exploration targets on the LC North and LC South properties and on the Lost Creek Project area outside the current Lost Creek resource area; (x) timing, completion, and funding for and results of further exploration programs at the Bootheel Project and Hauber Project, and the leased lands in the Nebraska exploration prospect; and (xi) future exploration and results at the Screech Lake project. The exploration targets at the LC North and LC South properties and on the Lost Creek project area outside the current Lost Creek resource area are conceptual in nature only. There has been insufficient exploration to define a mineral resource at these new exploration targets. It is uncertain if further exploration will result in the target(s) being delineated as a mineral resource. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with startup), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals; expansion and growth of the business and operations; plans and references to the Company's future successes; the Company's history of operating losses and uncertainty of future profitability; the Company's status as an exploration stage corporation; the Company's lack of mineral reserves; the hazards associated with mining construction and production; compliance with environmental laws and regulations; risks associated with obtaining permits in the United States and Canada; risks associated with current variable economic conditions; the possible impact of future financings; uncertainty regarding the pricing and collection of accounts; risks associated with dependence on sales in foreign countries; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with the Canada Revenue Agency's audit of any of the Company's cross border transactions; adverse changes in general business conditions in any of the countries in which the Company does business; changes in the Company's size and structure; the effectiveness of the Company's management and its strategic relationships; risks associated with the Company's ability to attract and retain key personnel; uncertainties regarding the Company's need for additional capital; uncertainty regarding the fluctuations of the Company's quarterly results; uncertainties relating to the Company's status as a non-U.S. corporation; uncertainties related to the volatility of the Company's share price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Company's listing on the NYSE Amex LLC ("NYSE Amex") and Toronto Stock Exchange ("TSX"); risks associated with the Company's expected classification as a "passive foreign investment company" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company's status as a "controlled foreign corporation" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company's investments and other risks and uncertainties described under the heading "Risk Factors" of the Company's Annual Information Form and its Annual Report on Form 40-F ("Annual Information Form") dated March 17, 2011, which are filed, respectively on SEDAR at www.sedar.com and with the U.S. Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

Cautionary Note to U.S. Investors – Resource Estimates: The terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource," as used in the Company's disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves ("CIM Standards"), adopted by the CIM Council on November 23, 2003. These Canadian terms are not defined terms under United States Securities and Exchange Commission ("SEC") Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC by U.S. registered companies. The SEC permits U.S. companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Accordingly, note that information contained in this disclosure describing the Company's "mineral resources" is not directly comparable to information made public by U.S. companies subject to reporting requirements under U.S. securities laws (wherein "reserves," and not "resources" may be disclosed and discussed). Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. **Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically minable. U.S. investors are urged to consider closely the disclosure in our disclosure documents which may be secured from us, or online at <http://www.sec.gov/edgar.shtml>.**

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Nature of Operations and Description of Business

The Company is an exploration stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in the United States and Canada. The Company is primarily focused on exploration within the geological uranium province centered on Wyoming, USA. Two of the Company's Wyoming properties, Lost Creek and Lost Soldier, contain defined resources that the Company expects to advance to production. Lost Creek is progressing through the regulatory process and is expected to have all necessary licenses and permits in coming months. Among its other properties in North America, the Company continues to hold its Screech Lake property in the Thelon Basin, Northwest Territories, Canada.

Due to the nature of the uranium mining methods to be used by the Company on the Lost Creek property, and the definition of "mineral reserves" under National Instrument 43-101 ("NI 43-101"), which uses the Canadian Institute of Mining ("CIM") Definition Standards, the Company has not determined whether the property contains mineral reserves. However, the Company's March 16, 2011 NI 43-101 "Preliminary Assessment Lost Creek Property Sweetwater County, Wyoming" outlines the economic viability of the Lost Creek project, which is currently in the permitting process with state and federal regulators. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties, the ability of the Company to obtain the necessary permits to operate the properties and to achieve future profitable production from the properties or sufficient proceeds from disposition of the properties.

Selected Information

The following table contains selected financial information as at December 31, 2010 and 2009.

	As at December 31, 2010	As at December 31, 2009
	\$	\$
Total assets	73,990,009	81,702,205
Liabilities	(1,334,398)	(1,550,675)
Net assets	<u>72,655,611</u>	<u>80,151,530</u>
Capital stock and contributed surplus	166,647,205	157,725,036
Deficit	<u>(93,991,594)</u>	<u>(77,573,506)</u>
Shareholders' equity	<u>72,655,611</u>	<u>80,151,530</u>

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The following table contains selected financial information for the years ended December 31, 2010, 2009 and 2008 and the cumulative information from inception of the Company on March 22, 2004 to December 31, 2010.

	Year Ended December 31, 2010 \$	Year Ended December 31, 2009 \$	Year Ended December 31, 2008 \$	Cumulative from March 22, 2004 through December 31, 2010 \$
Revenue	Nil	Nil	Nil	Nil
Total expenses ⁽¹⁾	(15,238,754)	(17,408,449)	(25,967,711)	(103,526,986)
Interest income	351,995	890,915	2,494,445	7,321,349
Loss from equity investment	(29,432)	(17,855)	Nil	(47,287)
Foreign exchange gain (loss)	(1,558,108)	(3,506,111)	5,656,319	504,020
Other income (loss)	56,211	940,237	(36,638)	959,810
Loss before income taxes	(16,418,088)	(19,101,263)	(17,853,585)	(94,789,094)
Recovery of future income taxes	Nil	368,445	Nil	797,500
Net loss for the period	(16,418,088)	(18,732,818)	(17,853,585)	(93,991,594)
Loss per common share:				
Basic and diluted	(0.17)	(0.20)	(0.19)	
Cash dividends per common share				
	Nil	Nil	Nil	
⁽¹⁾ Stock based compensation included in total expenses	702,762	950,874	4,567,206	16,415,833

The Company has not generated any revenue from its operating activities to date. The Company's expenses include general and administrative ("G&A") expense, exploration and evaluation expense, development expense and write-off of mineral property costs. Acquisition costs of mineral properties are capitalized.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all presently available funds will be invested to finance new and existing exploration and development activities.

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Summary of Quarterly Financial Information

The following table contains summary quarterly financial information for each of the eight most recently completed quarters.

	Quarter Ended							
	Dec. 31 2010	Sep. 30 2010	Jun. 30 2010	Mar. 31 2010	Dec. 31 2009	Sep. 30 2009	Jun. 30 2009	Mar. 31 2009
	\$	\$	\$	\$	\$	\$	\$	\$
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total expenses	(3,227,656)	(5,225,345)	(2,981,561)	(3,804,192)	(3,419,379)	(5,336,536)	(3,616,032)	(5,036,502)
Interest income	70,302	83,516	92,912	105,265	141,016	130,519	218,637	400,743
Loss from equity investment	(2,401)	(13,635)	(10,770)	(2,626)	(4,365)	(13,490)	Nil	Nil
Foreign exchange gain (loss)	(819,035)	(588,286)	837,178	(987,965)	(1,393,136)	(814,255)	(1,933,051)	634,331
Other income (loss)	60,375	8,586	(12,000)	(750)	(34,878)	1,085,947	(117,332)	6,500
Loss before income taxes	(3,918,415)	(5,735,164)	(2,074,241)	(4,690,268)	(4,710,742)	(4,947,815)	(5,447,778)	(3,994,928)
Recovery of future income taxes	Nil	Nil	Nil	Nil	(429,055)	797,500	Nil	Nil
Net loss for the period	(3,918,415)	(5,735,164)	(2,074,241)	(4,690,268)	(5,139,797)	(4,150,315)	(5,447,778)	(3,994,928)

Overall Performance and Results of Operations

From inception to December 31, 2010, the Company has raised net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants and stock options of \$146.9 million. As at December 31, 2010, the Company held cash and cash equivalents, and short-term investments of \$33.8 million. The Company's cash resources are invested with banks in Canada and the United States in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts.

Mineral Properties

The Company holds mineral properties in the United States and Canada totaling more than 230,000 acres (more than 93,000 hectares).

Lost Creek Property – Great Divide Basin, Wyoming

The Lost Creek uranium deposit is located in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometers) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 meters) and 700 feet (213 meters) in depth. The Lost Creek project was acquired by the Company in 2005. A royalty on future production of 1.67% is in place with respect to 20 claims at the Lost Creek project.

As confirmed in a March 16, 2011 NI 43-101 Technical Report on Lost Creek, "Preliminary Assessment Lost Creek Property Sweetwater County Wyoming," (the "2011 Preliminary Assessment") the reported mineral resources support the economic viability and continued development to mine production of the project. The 2011 Preliminary Assessment reports on two methods of calculating of mineral resource estimate, performing an economic analysis on the GT-contour method resource estimate which has been determined to be better suited to detailed mine development and planning for the current stage of development at Lost Creek. Based upon the GT-contour method, the 2011 Preliminary Assessment reports NI 43-101 compliant resources at Lost Creek project are 2.66 million pounds equivalent U₃O₈ (eU₃O₈) of Measured Mineral Resources contained in 2.54 million tons, at an average grade of 0.052 percent eU₃O₈; 2.57 million pounds eU₃O₈ of Indicated Mineral Resources, contained in 2.20 million tons, at an average grade of 0.060 percent eU₃O₈; and 0.78 million pounds eU₃O₈ of Inferred Mineral Resources, contained in 0.77 million tons, at an average grade of 0.051 percent eU₃O₈.

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The 2011 Preliminary Assessment also includes a calculation of a mineral resource estimate using a modified polygonal method – a methodology typically applied to exploration-level projects, and which was the method chosen for earlier reporting (2005, 2006, 2008) of mineral resources estimates on the Lost Creek project. The modified polygonal method calculation included in the 2011 Preliminary Assessment reports a mineral resource estimate of 8.44 million pounds, contained in 8.58 million tons, at a grade of 0.049% eU₃O₈, as an Indicated Mineral Resource, and 2.04 million pounds contained in 2.01 million tons, at a grade of 0.051% eU₃O₈ as an Inferred Mineral Resources. An additional 0.53 million pounds, contained in 0.57 million tons at a grade of 0.046% eU₃O₈ as an Inferred Mineral Resource is reported from numerous 'outlier' areas to the deposit, all within the defined project area but outside the main zone of the deposit. While this resource estimate serves generally to validate the earlier project resource estimates, the Lost Creek project has advanced significantly enough into the development phase of the project (e.g., delineation drilling; wellfield design and planning), that the GT-contour method resource estimate was deemed better suited for use as the resource estimate on which economic analysis would proceed.

The purpose of the 2011 Preliminary Assessment is to evaluate the technical and economic viability of Lost Creek using the scientific and technical information available at the time of writing. The report demonstrates both the technical and economic viability of the Lost Creek project with the current level of available information on the mineral deposit.

The economic analysis estimates that the project will generate net earnings over the life of the project, before income tax, of US\$178.96 million. It is estimated that the Project has an internal rate of return (IRR) of 91 percent and a net present value (NPV) of US\$118.1 million applying an eight percent discount rate. The estimated cost of uranium produced is US\$42.65 per pound including all costs, with an estimated operational cost of US\$19.66 per pound. The estimated commencement of construction is in Quarter 1 of 2012. The 2011 Preliminary Assessment is filed on the Company's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>.

Prior to the completion and filing of the 2011 Preliminary Assessment, an amendment to the 2008 Lyntek Preliminary Assessment was filed February 25, 2011 on the Company's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>: *Amended NI 43-101 Preliminary Assessment for the Lost Creek Project Sweetwater County, Wyoming (April 2, 2008, amended February 25, 2011)* (Independent Qualified Persons C. Stewart Wallis, P.Geo., John I. Kyle, P.E., and Douglas K. Maxwell, P.E.)). The 2008 Lyntek Preliminary Assessment was released in amended form following a review of the Preliminary Assessment by the Ontario Securities Commission, which required the correction of certain deficiencies under the National Instrument. The amended report included analysis and recalculation of the mineral resources of the project, with the inclusion of certain drill data generated from the project from June 2006 - March 2008 that was not previously included in the report. The 2008 Lyntek Preliminary Assessment now has been superseded by the 2011 Preliminary Assessment.

In March 2011, the Company announced that it has entered into its first uranium sales agreement relates to production from Lost Creek. The long-term contract calls for deliveries over a three-year period at a defined price for the term of the agreement.

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Lost Creek Regulatory

Ur-Energy continues to focus its efforts on the regulatory processes necessary to obtain all required authorizations to mine uranium by in situ recovery methods at the Lost Creek project. The required authorizations include permits and/or licenses from the U.S. Nuclear Regulatory Commission ("NRC"), the U.S. Bureau of Land Management ("BLM"), and the Wyoming Department of Environmental Quality ("WDEQ").

On January 11, 2011, the NRC issued the draft NRC Source and Byproduct Materials License ("NRC License") for the Lost Creek project. The Corporation continues to advance matters to obtain the final NRC License, which will comprise the license itself and the two required reports: the Safety Evaluation Report ("SER") and the site-specific Supplemental Environmental Impact Statement ("SEIS") for the project. The NRC has finalized the SER, although it will not be issued until the Final Supplemental Environmental Impact Statement ("FSEIS") and NRC License are issued.

The BLM is preparing the environmental review required before approving the Lost Creek Plan of Operations that was submitted to the BLM in November 2009. A third party contractor has been assigned to draft the environmental review documents. On February 11, 2011, the BLM issued a Notice of Intent ("NOI") for the Lost Creek Plan of Operations. The NOI commences the scoping process related to the BLM's Environmental Impact Statement ("EIS") for the Lost Creek project's Plan of Operations. The BLM states in the NOI that it "may decide it is appropriate to incorporate by reference into its own EIS all or part of the [NRC's FSEIS] once it is complete."

In November 2010, the Corporation submitted to the U.S. Environmental Protection Agency ("EPA") an application for a permit to construct two holding ponds at Lost Creek. The EPA has responded seeking additional information for the permit. Earlier, in May 2010, the Wyoming State Engineer's Office issued its approval for the construction and operation of the two holding ponds at the Lost Creek site.

The permitting process with the WDEQ Land Quality Division ("WDEQ-LQD") for the Permit to Mine is nearing completion. The WDEQ-LQD has completed its technical review, and is moving toward issuance of the permit. The approval for the first mine unit will be a part of the WDEQ Permit when it is issued. Current expectations are that the Permit to Mine will be issued conditioned upon the BLM's completion of its environmental review and approval of the Lost Creek Plan of Operations.

The WDEQ-Air Quality Division issued the Lost Creek Air Quality Permit in January 2010. In May 2010, WDEQ-Water Quality Division ("WDEQ-WQD") issued the final Class I Underground Injection Control Permit to drill, complete and operate up to five Class I injection wells at Lost Creek to meet the anticipated disposal requirements for the life of the Lost Creek project.

The Wyoming Game and Fish Department ("WGFD") approved the Wildlife Management Plan submitted by the Company, including a determination that the Wildlife Management Plan meets all of the protection measures for the Greater Sage Grouse species. WGFD has forwarded its required approval to the WDEQ-LQD for incorporation into the Permit to Mine.

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Lost Creek Development Program – Drilling, Planning and Procurement

In addition to the historic drill data (approximately 563 holes) it owns with regard to Lost Creek, Ur-Energy has completed 1,096 drill holes totaling approximately 728,757 feet (222,125 meters) on the Lost Creek Project. The Company has completed necessary delineation drilling for the planning of the first mine unit in 2008, and for the second mine unit during the 2009-2010 drill program.

In 2008, 459 holes were drilled totaling approximately 303,040 feet (92,368 meters), which included delineation, exploration and monitor well drilling. The drilling for the design and mine planning of Mine Unit #1 was completed as a part of that year's drill program. In addition, a deep test well was drilled in 2008 (9,997 feet (3,047 meters)), which provided the detailed data, including formation stratigraphy, reservoir extent and properties, water quality and assessment of well injection rates, for the application for the WDEQ-WQD Class I UIC permit. The Corporation submitted the application in June 2009; the Class I UIC permit was issued in May 2010.

The Company continued its development program at the Lost Creek Project with its 2009-1Q2010 drill program: 298 holes of delineation and monitor well drilling (approximately 213,040 feet (64,935 meters)) were drilled to obtain geologic data necessary for mine planning within the HJ horizon for Mine Unit #2. A secondary objective of that program was to continue to collect data from the underlying mineralized horizons (KM and N) for future production planning. The program also included the drilling and installation of monitoring wells to obtain and monitor water quality and hydrologic data for the purpose of permitting an additional mineralized horizon underlying the HJ horizon presently being permitted. The Company also completed mechanical integrity testing of installed baseline and monitoring wells and the installation of submersible pump equipment to facilitate ongoing water sampling requirements.

Much of the 2010 drill program was conducted to advance the permitting processes. A total of 39,061 feet (11,906 meters) of drilling accomplished the following: 45 drill holes to complete delineation of resources within the KM horizon beneath Mine Unit #1; improvements to 19 monitoring wells at the request of the WDEQ; installation of two new monitoring wells. Additionally, six wide-spaced exploration holes were drilled to test deeper horizons.

Mine Unit #1 is currently being permitted to recover uranium only within the HJ stratigraphic horizon, a unit that starts at a depth of approximately 325 feet (99 meters). Resources within the underlying KM stratigraphic horizon, with the top of the horizon at about 475 feet (145 meters), will be permitted and mined as a separate future mine unit. Because some resources within the KM horizon underlie Mine Unit #1 they required delineation before mining Mine Unit #1. Mineral intercepts averaged 14.1 feet (4.3 m) of 0.049% eU₃O₈. Leach tests completed on samples from the KM region yielded favorable results consistent with those of the HJ horizon. The Corporation anticipates submitting an application for amendment of its licenses and permits, when received, to allow for mineral recovery from the underlying KM horizon at Lost Creek.

In addition to the improvements to existing monitoring wells, the 2010 drilling included installation of two new observation monitor wells. This concludes the pre-mining installation of regional and Mine Unit #1 monitoring wells that will be used for operational monitoring. There are now a total of 156 installed monitoring and baseline wells within the Lost Creek permit area. Additionally, six wide-spaced exploration holes were drilled to test deeper horizons.

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During 2010, the Company advanced detailed electrical, process and fire system design through its contractor TREC, Inc. Vendors for all major equipment remaining to be ordered, as well as respective lead times, have been identified with final bids to be delivered following receipt of required licenses and permits. The focus on instrumentation programming has been brought in-house to better utilize the expertise of the Company's professional staff.

Company Projects Adjoining the Lost Creek Project

The Company currently controls 1,753 unpatented mining claims and two State of Wyoming uranium leases for a total of almost 34,000 mineral acres including the Lost Creek permit area, LC North, LC South, EN and Toby project areas. Ur-Energy has completed in-house geologic evaluations of the Lost Creek permit area and adjacent properties held by the Company. The studies identified multiple exploration targets for which management recommends further exploration and drilling. The studies resulted in the observation of similarities of alteration characteristics, grade and thickness of mineralization to that currently identified in the Lost Creek deposit. The Company conducted an initial exploration drilling program at LC South in 2010 which defined numerous individual reduction-oxidation (redox) systems occurring within several stratigraphic horizons. The drill program included 159 drill holes, totaling 101,270 feet (30,867 meters), and identified deep alteration and uranium mineralization which demonstrates potential for several additional mineralized roll fronts in deeper horizons within the property. Analysis of the drill results is ongoing. It is estimated that as many as 2,000 to 3,000 drill holes will be required over the course of several years to fully evaluate the various new exploration targets in LC South, as well as LC North and certain areas within the Lost Creek permit area.

Lost Soldier Project – Great Divide Basin, Wyoming

The Lost Soldier project is located approximately 14 miles (22.5 kilometers) to the northeast of the Lost Creek Project. The property has over 3,700 historic drill holes defining 14 mineralized sandstone units. NI 43-101 compliant resources for Lost Soldier (Technical Report – Lost Soldier July 2006, by C. Stewart Wallis) are 5.0 million pounds of U_3O_8 at 0.064% as a Measured Mineral Resource, 7.2 million pounds of U_3O_8 at 0.065% as an Indicated Mineral Resource and 1.8 million pounds of U_3O_8 at 0.055% as an Inferred Mineral Resource. The NI 43-101 report is filed on the Corporation's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>. The Corporation maintains 143 lode mining claims at Lost Soldier, totaling approximately 2,710 mineral acres. A royalty of one per cent, which arises from a data purchase, is in place with respect to future production on certain claims within the project.

Ur-Energy continues to anticipate regulatory applications for Lost Soldier will be made after the Corporation obtains the Lost Creek Project licenses and permit to mine, and as corporate priorities are determined for the exploration and development of the Lost Creek adjoining properties.

Company Ventures: Hauber Project LLC and The Bootheel Project, LLC

As a part of its 2010 obligations under the Hauber Project venture agreement, NCA Nuclear Inc. (subsidiary of Bayswater Uranium Corporation) obtained necessary regulatory approval and drilled two drill holes for the purpose of testing in situ recovery amenability of the uranium mineralization in selected mineralized zones. Analysis of the drilling results is ongoing. Hauber Project maintains properties within the Black Hills Uplift in Crook County, Wyoming, comprising 205 unpatented lode mining claims and one state uranium lease totaling approximately 4,570 mineral acres. In January 2010, NCA Nuclear completed an independent NI 43-101 mineral resource estimate of the properties at the Hauber Project. The resource estimate concludes the Hauber Project properties hold approximately 1.45 million pounds of eU_3O_8 (Indicated Mineral Resources) in 423,000 tons at an average grade of 0.17% eU_3O_8 . Bayswater has filed the NI 43-101 report on www.sedar.com. NCA Nuclear Inc. can earn a 75% interest in the Hauber Project by completing its US\$1 million earn-in commitment.

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Crosshair Exploration & Mining ("Crosshair") continues to advance The Bootheel Project working with a contractor, AATA International, completing wildlife surveys and other baseline monitoring. Crosshair conducted its first meetings with the NRC in August 2010. The 2011 program and budget for the Project are currently pending before the Management Committee of the Project.

The Project's properties within the Shirley Basin, Wyoming cover total defined areas of approximately 8,524 gross, and 7,895 net, mineral acres. Ur-Energy has a 25% interest in this project. In 2009, Crosshair released an independent NI 43-101 resource estimate on the Bootheel property, which reports the Bootheel property contains an indicated resource of 1.09 million pounds U₃O₈ (Indicated Mineral Resource) in 1.4 million short tons, at a grade of 0.038% U₃O₈, and an Inferred Mineral Resource of 3.25 million pounds U₃O₈ (in 4.4 million short tons) at an average grade of 0.037% U₃O₈. This NI 43-101 report was filed by Crosshair on www.sedar.com.

Additional Exploration Activities and Company Databases

In January 2011, the Corporation announced the expansion of its U.S. exploration activities into western Nebraska. The Corporation has leased approximately 35,000 acres (14,164 hectares) (not contiguous) for initial exploration to test new concepts in a geologic environment that is favorable for the discovery of uranium deposits. Over the past three years, an in-house team of senior geologists has conducted a detailed study mapping the subsurface geology and host formations. The study area covers eleven counties in western Nebraska and is based on data obtained primarily from the records of several thousand oil and gas well logs. The objective of the study was to identify potential uranium bearing paleo-channels in sandstone formations; these may contain deposits similar in nature to Cameco Resources' (TSX: COO) Crow Butte deposit in Dawes County, Nebraska. The Ur-Energy land position was chosen in areas with similar geologic characteristics to the Crow Butte deposit. The Crow Butte deposit is presently being mined by in-situ recovery (ISR) methods. The Corporation's exploration staff is planning for continued exploration of the leased lands.

Throughout 2010, the Corporation conducted various field exploration programs in the United States, and expects to continue such exploration work in 2011. Evaluation of the Corporation's historic exploration databases continues, in an effort to realize additional value from the databases. The exploration databases contain data on lands controlled by the Corporation, as well as data related to lands controlled by third parties.

Year ended December 31, 2010 Compared to Year Ended December 31, 2009

The following tables summarize the results of operations for the years ended December 31, 2010 and 2009.

	Year ended December 31,			
	2010	2009	Change	Change
	\$	\$	\$	%
Revenue	Nil	Nil	Nil	Nil
General and administrative	(4,883,212)	(5,430,480)	547,268	-10%
Exploration and evaluation expense	(4,716,218)	(4,944,227)	228,009	-5%
Development expense	(5,258,072)	(6,931,303)	1,673,231	-24%
Write-off of mineral properties	(381,252)	(102,439)	(278,813)	272%
Net loss from operations	(15,238,754)	(17,408,449)	2,169,695	-12%
Interest income	351,995	890,915	(538,920)	-60%
Loss from equity investment	(29,432)	(17,855)	(11,577)	65%
Foreign exchange gain (loss)	(1,558,108)	(3,506,111)	1,948,003	-56%
Other income (loss)	56,211	940,237	(884,026)	-94%
Loss before income taxes	(16,418,088)	(19,101,263)	2,683,175	-14%
Recovery of future income taxes	Nil	368,445	(368,445)	NA
Net loss for the period	(16,418,088)	(18,732,818)	2,314,730	-12%
Loss per share – basic and diluted	(0.17)	(0.20)	0.03	-15%

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Expenses

Total expenses for the year ended December 31, 2010 were \$15.2 million, which includes G&A expense, exploration and evaluation expense and development expenses. These expenses decreased by \$2.2 million from a total of \$17.4 million for the year 2009. This decrease was driven in large part by the cost of a deep test well which was completed in 2009.

G&A expense relates to the Company's administration, finance, investor relations, land and legal functions and consists principally of personnel and facility costs. Expenses declined \$0.5 million for the year. Approximately \$0.2 million related to a change in approach to investor relations and a consolidation of those duties with other positions. Our external legal costs decreased approximately \$0.1 million for the year. In addition, we experienced declines in consulting and payroll costs as a part of the overall decline in G&A expenses.

Exploration and evaluation expenses declined \$0.2 million for the year 2010 compared to 2009. During the year ended December 31, 2009, the Company conducted an exploration program at Screech Lake at a cost of approximately \$0.8 million. These 2009 costs were partially offset by the 2010 drilling program at LC South which incurred \$1.1 million in expenses during the year ended December 31, 2010. During 2009, the Company began classifying Lost Creek costs as development costs which resulted in \$0.2 million reflected in Lost Creek evaluation expenses in 2009 with no comparable expenses in 2010. During the year ended December 31, 2009, the Company also spent \$0.1 million on evaluations of several external business opportunities. Exploration and evaluation payroll declined \$0.4 million in the year ended December 31, 2010 compared to 2009 due to allocations to other projects and the direct assignment of some employees to the Lost Creek project. Depreciation expense declined \$0.1 million for the year, partially due to a reassignment of fixed assets to the Lost Creek project.

Development expense relates entirely to the Company's Lost Creek property. Overall expenses declined during the year 2010 by \$1.7 million compared to 2009. The main reason for the decline was that 2009 costs included drilling and piping costs in excess of \$1.2 million related to the completion of a deep test well. This was also a reduction in non-related drilling costs of \$0.8 million for the year compared to comparable periods in 2009. These are offset by additional permitting costs of \$0.6 million in 2010 compared to 2009.

During the year 2010, the Company wrote off its investment in mineral costs related to the Kaycee property reflecting a \$0.4 million expense. During the year 2009, the Company wrote off the Eyeberry and Muggins Mountain mineral properties reflecting a \$0.1 million expense.

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Other income and expenses

The Company's cash resources are invested with banks in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts. The \$0.5 million decrease in interest income was driven by lower average cash resources and lower average interest rates in 2010 as compared to those in 2009.

The net foreign exchange losses for the year ended December 30, 2010 and 2009 were primarily due to cash resources held in U.S. dollar accounts, which fluctuate relative to the Canadian dollar. In 2009, the Canadian dollar strengthened during the year at a greater rate than in 2010 resulting in larger losses in that year. The change in the spot rate for 2009 was 0.1734 C\$ to US\$ or 14% compared to 2010 which declined 0.0492 or 4.68%.

During the year ended December 31, 2009, the Company sold a data base and related documents for \$1.0 million resulting in a gain of \$1.1 million during 2009.

Income taxes

During 2008, the Company raised \$2,750,000 through the sale of common shares covered by a flow-through election. This election requires that all capital raised under this election be used for exploration and evaluation of Canadian mineral interests prior to the end of the following calendar year. The Company then files a document with Revenue Canada renouncing its right to claim those expenditures for income tax purposes and passes them through to the purchasers of the common shares. During 2009, the Company filed the renouncement with the taxing authorities and completed the expenditure of the funds raised in 2008. As a result, the Company recognized a future tax liability in 2009 for the tax benefit that was renounced, while reducing capital stock by the same amount. The Company then offset this liability with deferred tax assets which were otherwise subject to the valuation allowance. This resulted in the recognition of the recovery of future income taxes.

In 2010, 2009 and 2008, the Company recorded operating losses in both Canada and the United States. Management has concluded that with the exception of the elimination of the tax liability discussed above, it is more likely than not that the remaining losses, and prior years' loss carryforwards and other tax assets will not be realized, and therefore the Company has recorded a full valuation allowance against these amounts.

Loss per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2010 were \$0.17 (2009 – \$0.20). The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table summarizes the results of operations for the years ended December 31, 2009 and 2008.

	Year Ended December 31,			
	2009	2008	Change	Change
	\$	\$	\$	%
Revenue	Nil	Nil	Nil	Nil
General and administrative	(5,430,480)	(6,904,564)	1,474,084	-21%
Exploration and evaluation expense	(4,944,227)	(9,922,798)	4,978,571	-50%
Development expense	(6,931,303)	(8,854,536)	1,923,233	-22%
Write-off of mineral properties	(102,439)	(285,813)	183,374	-64%
Net loss from operations	(17,408,449)	(25,967,711)	8,559,262	-33%
Interest income	890,915	2,494,445	(1,603,530)	-64%
Loss from equity investment	(17,855)	Nil	(17,855)	NA
Foreign exchange gain (loss)	(3,506,111)	5,656,319	(9,162,430)	-162%
Other income (loss)	940,237	(36,638)	976,875	-2666%
Loss before income taxes	(19,101,263)	(17,853,585)	(1,247,678)	7%
Recovery of future income taxes	368,445	Nil	368,445	NA
Net loss for the period	(18,732,818)	(17,853,585)	(879,233)	5%
Loss per share – basic and diluted	(0.20)	(0.19)	(0.01)	5%

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Expenses

Total expenses for the year 2009 were \$17.4 million which include G&A expense, exploration and evaluation expense, development expense and write-off of mineral property costs. These expenses decreased by \$8.6 million from a 2008 total of \$26.0 million. This decrease was driven in large part by the decrease in stock compensation expense of \$3.6 million. The decrease in stock option expense is a result of lower ongoing expense due to a decrease in the weighted-average option price and the voluntary return to the Company by option holders of options with an exercise price of \$4.75 or higher in the third quarter of 2008. Previously unrecognized stock based compensation cost of \$2.2 million was recognized at the cancellation date out of which \$0.9 million was recorded in G&A expense and \$1.3 million was recorded in exploration and evaluation expense.

G&A expense relates to the Company's administration, finance, investor relations, land and legal functions. The primary reason for the decrease in these expenses in 2009 was lower stock compensation expense, which decreased \$1.5 million during the year due in part to the 2008 cancellation discussed above. Excluding stock compensation expense, G&A expense remained constant for the year.

The primary reason for the decrease in exploration and evaluation expense was the transition of the Company's Lost Creek property from the evaluation stage to the development stage in the second quarter of 2008. This transition happens when sufficient evidence of mineral resources has been identified to justify the development of the property for mining activities and filing the applications for the mining permits. As a result, direct project evaluation expenditures decreased \$1.6 million during the year. Exploration costs in Canada decreased \$1.1 million as a result of a larger exploration program at the Company's Bugs project in Nunavut in 2008 compared to the program conducted at Screech Lake in 2009. Stock compensation expense charged to exploration and evaluation declined \$1.4 million in the year.

Development expense relates entirely to the Company's Lost Creek property, which entered the development stage in the second quarter of 2008. Total costs were lower by \$1.9 million for the year compared with 2008. The primary changes in development costs for the year were reductions in costs related to the deep test well for ground water sampling in support of the application for Class I UIC permit of \$2.2 million, decreases in drilling costs of \$0.9 million, decrease in stock compensation of \$0.3 million and decreases in logging costs of \$0.2 million. These were offset by increases in labor of \$0.6 million and permitting of \$1.2 million for the year. Combined expenditures for mineral development activities (including exploration, evaluation and development) decreased by \$6.9 million for the year ended December 31, 2009, when compared to the comparable period in 2008.

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During 2009, the Company wrote off \$38,878 in mineral property costs associated with the Muggins Mountain claims in Yuma County, Arizona and \$63,561 of Eyeberry property costs in Canada. In 2008, the Company wrote off \$0.3 million of mineral property costs related to the Harding and Fall River projects in South Dakota.

Other income and expenses

The Company's cash resources are invested with banks in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts. The decrease in interest income was driven by lower average cash resources and lower average interest rates in 2009 as compared to those in 2008.

During the year ended December 31, 2009, the Company sold its database of geologic information related to its Moorcroft project in Wyoming for US\$1.0 million. The gain of \$1.1 million on this sale is reported in Other Income for 2009.

The net foreign exchange loss for the year ended December 31, 2009 arose primarily due to cash resources held in U.S. dollar accounts as the U.S. dollar weakened relative to the Canadian dollar during the period. During 2008, the U.S. dollar strengthened relative to the Canadian dollar creating a substantial gain for the year.

Income taxes

During 2008, the Company raised \$2,750,000 through the sale of common shares covered by a flow-through election. This election requires that all capital raised under this election be used for exploration and evaluation of Canadian mineral interests prior to the end of the following calendar year. The Company then files a document with Revenue Canada renouncing its right to claim those expenditures for income tax purposes and passes them through to the purchasers of the common shares. During 2009, the Company filed the renouncement with the taxing authorities and completed the expenditure of the funds raised in 2008. As a result, the Company recognized a future tax liability in 2009 for the tax benefit that was renounced, while reducing capital stock by the same amount. The Company then offset this liability with deferred tax assets which were otherwise subject to the valuation allowance. This resulted in the recognition of the recovery of future income taxes.

In 2010, 2009 and 2008, the Company recorded operating losses in both Canada and the United States. Management has concluded that with the exception of the elimination of the tax liability discussed above, it is more likely than not that the remaining losses, and prior years' loss carryforwards and other tax assets will not be realized, and therefore the Company has recorded a full valuation allowance against these amounts.

Loss per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2009 were \$0.20 (2008 – \$0.19). The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Liquidity and Capital Resources

As at December 30, 2010, the Company had cash resources, consisting of cash and cash equivalents and short-term investments, of \$33.8 million, a decrease of \$9.6 million from the December 31, 2009 balance of \$43.4 million. The Company's cash resources consist of Canadian and U.S. dollar denominated deposit accounts, guaranteed investment certificates, money market funds and certificates of deposit. During the year ended December 31, 2010, the Company used \$13.5 million of its cash resources to fund operating activities and \$2.9 million for investing activities (excluding short term investment transactions). During the year ended December 31, 2010, the Company generated \$8.2 million through financing activities. The remaining \$1.3 million decrease in cash for the year related to the effects of foreign exchange rate changes on cash resources.

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The Company has financed its operations from its inception primarily through the issuance of equity securities and has no source of cash flow from operations. The Company does not expect to generate any cash resources from operations until it is successful in commencing production from its properties. Operating activities used \$13.5 million of cash resources during the year ended December 31, 2010 as compared to \$17.0 million for 2009. This is the result of several items including an overall reduction in cash expenses for the periods as discussed above and less cash being required to pay liabilities recorded at December 31, 2009 compared to the amount accrued at December 31, 2008 as reflected in the results of operations (\$0.8 million difference). The Company received less interest income in 2010 due to lower average cash resource balances and lower interest rates.

During the year ended December 31, 2010, the Company invested cash resources of \$2.9 million in mineral properties, bonding deposits, capital assets and pre-construction activities related to plant design and equipment purchases at Lost Creek. The Company increased their bonding deposits by \$1.1 million during the year. Capital expenditures including mineral property acquisition costs and construction related deposits on the Lost Creek facility totaled \$1.8.

During the year ended December 30, 2010, the Company raised \$5.0 million through a private placement of capital stock. The Company incurred \$0.3 million in costs related to the placement for registration fees, legal expenses and placement agent commissions. In addition, the Company raised \$3.5 million through the exercise of stock options.

Financing Transactions

The Company maintains a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the Company's outstanding securities. The Rights Plan is intended to provide the Company's board of directors with adequate time to assess a take-over bid, to consider alternatives to a take-over bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide the Company's shareholders with adequate time to properly assess a take-over bid without undue pressure.

The Company has a corporate credit card facility with a U.S. bank. This facility has an aggregate borrowing limit of US\$250,000 and is used for corporate travel and incidental expenses. The Company has provided a letter of credit secured by a guaranteed investment certificate in the amount of \$287,500 as collateral for this facility.

The Corporation announced on February 7, 2011 that it had entered into an agreement with a syndicate of underwriters (the "Underwriters"), pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, pursuant to a short form prospectus, 10,000,000 Common Shares of the Corporation at a price of \$3.00 per Common Share for gross proceeds of \$30,000,000 (the "Offering"). Closing of the Offering was delayed while the Company updated its continuous disclosure filings, including the preparation of an updated NI 43-101 Technical Report. Due to the delay, the prospectus for the Offering was withdrawn by the Corporation on March 11, 2011.

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Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options and stock options as at December 31, 2010 and December 31, 2009 is as follows:

	December 31, 2010	December 31, 2009	Change
Common shares	101,998,012	93,940,568	8,057,444
Warrants	100,000	—	100,000
Stock options	5,665,568	8,361,452	(2,695,884)
Fully diluted shares outstanding	107,763,580	102,302,020	5,461,560

As of March 17, 2011, the Company had 103,437,680 common shares, 100,000 warrants, 5,665,388 stock options and 345,560 restricted stock units outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

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Financial Instruments and Other Instruments

The Company's cash and cash equivalents are composed of:

	As at December 31, 2010 \$	As at December 31, 2009 \$
Cash on deposit at banks	265,168	308,918
Guaranteed investment certificates	287,500	287,500
Money market funds	28,166,147	25,564,505
Certificates of deposit	—	6,296,400
	<u>28,718,815</u>	<u>32,457,323</u>

The Company's short term investments are composed of:

	As at December 31, 2010 \$	As at December 31, 2009 \$
Guaranteed investment certificates	5,122,289	2,342,637
Certificates of deposit	—	8,589,464
	<u>5,122,289</u>	<u>10,932,101</u>

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short term investments and bonding deposits. These assets consist of Canadian dollar and U.S. dollar denominated guaranteed investment certificates, certificates of deposits, money market accounts and demand deposits. They bear interest at annual rates ranging from 0.45% to 1.64% and mature at various dates up to December 5, 2011. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$6.7 million is covered by either the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation. Another \$3.5 million is guaranteed by a Canadian provincial government; leaving approximately \$27.6 million at risk should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets to be impaired as of December 31, 2010.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due.

The Company manages liquidity risk through regular cash flow forecasting of cash requirements to fund its exploration and development projects and operating costs.

As at December 31, 2010 the Company's liabilities consisted of accounts payable and accrued liabilities of \$1.3 million, all of which are due within normal trade terms. Trade accounts payable are generally due within 30 days.

Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. Market risk arises as a result of the Company incurring a significant portion of its expenditures and maintaining a significant portion of its cash equivalents and short-term investments in U.S. dollars and as well as holding cash equivalents and short term investments which earn interest.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents and short term investments. The Company's objectives for managing its cash and cash equivalents are to ensure sufficient funds are maintained on hand at all times to meet day to day requirements and to place any amounts which are considered in excess of day to day requirements on short-term deposit with the Company's banks so that they earn interest. When placing amounts of cash and cash equivalents on short-term deposit, the Company only uses high quality commercial banks and ensures that access to the amounts placed can generally be obtained on short notice.

Currency risk

The Company makes expenditures in both the United States and Canada and is therefore exposed to risk from changes in these currency rates. In addition, the Company holds financial assets and liabilities in Canadian and U.S. dollars. The Company does not utilize any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates.

At December 31, 2010, the Company had cash and cash equivalents, short term investments and bonding deposits of approximately US\$29.4 million and had accounts payable of US\$0.8 million which were denominated in U.S. dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net U.S. dollar denominated assets and liabilities at December 31, 2010. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in U.S. dollar foreign exchange rate would have a +/- \$2.9 million impact on net loss for the year ended December 31, 2010. This impact is primarily as a result of the Company having cash and investment balances denominated in U.S. dollars and U.S. dollar denominated trade accounts payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

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The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.4 million impact on net loss for the year ended December 30, 2010. The Company's average interest rate for 2010 was 0.84% which is less than 100 basis points. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ materially from that shown above.

Transactions with Related Parties

During the years ended December 31, 2010 and 2009, the Company did not participate in any material transactions with related parties.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

Critical Accounting Policies and Estimates

Mineral Properties

Acquisition costs of mineral properties are capitalized. When production commences, these costs will be amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property.

As of December 31, 2010, the spot term price of uranium was approximately US\$62. This is significantly improved from US\$45 as of December 31, 2009. Management reviewed the cash flow projections for properties which have published NI 41-303 reports and verified that the projected cash flows indicate no impairment is required. Management also did not identify any other impairment indicators for any of the Company's mineral properties during the year ended December 31, 2010.

Stock Based Compensation

The Company is required to record all equity instruments including warrants, restricted share units, compensation options and stock options at fair value in the financial statements. Management utilizes the Black-Scholes model to calculate the fair value of these equity instruments at the time they are issued. Use of the Black-Scholes model requires management to make estimates regarding the expected volatility of the Company's stock over the future life of the equity instrument, the estimate of the expected life of the equity instrument, the expected volatility of the Company's common shares, and the number of options that are expected to be forfeited. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results.

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Changes in Accounting Policies Including Initial Adoption

International Financial Reporting Standards / U.S. GAAP

In addition to the rules of the Ontario Securities Commission, the Company is subject to the reporting requirements of the United States Securities and Exchange Commission ("SEC"). Under those SEC rules, companies are allowed to submit their financial statements using a foreign GAAP (Canadian GAAP for Ur-Energy) or International Financial Reporting Standards ("IFRS") as long as they are considered a foreign private issuer ("FPI"). For Ur-Energy, the primary criterion to maintain its FPI status is the ownership of the majority of the Company's stock by non-United States investors. This is verified with the transfer agency during the second quarter of each year. If the Company loses its FPI status, it will have to file its statements with the SEC using U.S. GAAP. As of January 1, 2011, Canadian GAAP may no longer be used by Canadian public companies and is being replaced with IFRS.

Management believes that it is likely that the Company will lose its FPI status at some point in the next few years, potentially as soon as 2011. Canadian public companies that are listed in the United States are permitted to prepare their financial statements in accordance with U.S. GAAP and do not have to reconcile back to IFRS. Since the loss of FPI status would necessitate a change to U.S. GAAP, management has concluded that it will adopt U.S. GAAP rather than IFRS effective January 1, 2011. Consequently, the Company has discontinued its IFRS conversion project. The Company will therefore no longer report on the status of changing its accounting to IFRS as required under Canadian securities guidance.

Material differences between Canadian GAAP and U.S. GAAP to date are reported in note 15 to the Company's annual audited financial statements as filed on www.sedar.com and <http://www.sec.gov/edgar.shtml>. To date, the only material differences between the Company's Canadian GAAP financial statements and U.S. GAAP have been:

- a) The interest savings from the early extinguishment of our debt obligation on acquiring the Lost Creek and Lost Soldier properties. Under Canadian GAAP, the interest saving was recorded as a reduction in the carrying value of the mineral properties. Under U.S. GAAP, the accrued but unpaid interest was recorded as a gain and included in income.

- b) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. Under Canadian GAAP, we recorded the full amount of the proceeds received on issuance as capital stock in the balance sheet. Upon renouncing the income tax deductions, capital stock balance was reduced by the amount of the future income tax liability. This has resulted in the recognition of recoveries of future income taxes due to the reduction in our valuation allowance to offset the recorded liability. For U.S. GAAP, the proceeds on issuance of these shares were allocated between the offering of the shares and the sale of the tax benefit. The premium paid by the investor in excess of the fair value of non flow-through shares (determined by the exchange price at the close of day on the day before the issuance) was recognized as a liability at the time the shares were issued and the fair value of non flow-through shares (shares issued at the exchange price) recorded as capital stock. Upon renouncing the income tax deductions, the premium liability was re-characterized as deferred income taxes and the difference between the full deferred income tax liability related to the renounced tax deductions and the premium previously recognized was recorded as an income tax expense or benefit.

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Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this MD&A, under the supervision of the Chief Executive Officer and the Chief Financial Officer, the Company evaluated the effectiveness of its disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that are filed or submitted under the Exchange Act: (1) is recorded, processed and summarized effectively and reported within the time periods specified in SEC rules and forms, and (2) is accumulated and communicated to Company management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's disclosure controls and procedures include components of internal control over financial reporting. No matter how well designed and operated, internal controls over financial reporting can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

Management's Report on Internal Control over Financial Reporting

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, the Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting as of December 31, 2010 based on the framework set forth in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, Company management concluded that, as of December 31, 2010, the Company's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

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Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in our Annual Information Form and our Annual Report on Form 40-F dated March 17, 2011 which are filed respectively on SEDAR at www.sedar.com and on the U.S. Securities and Exchange Commission's website at <http://www.sec.gov/edgar.shtml>.

Other Information

Other information relating to the Company may be found on the SEDAR website at www.sedar.com or on the U.S. Securities and Exchange Commission's website at <http://www.sec.gov/edgar.shtml>.

Directors and Officers

Jeffrey T. Klenda, B.A. – Chairman and Executive Director
W. William Boberg, M. Sc., P. Geo. – President, Chief Executive Officer and Director
James M. Franklin, PhD, FRSC, P. Geo. – Director and Technical Committee Chair
Paul Macdonell, Diploma Public Admin. – Director and Compensation Committee Chair
Thomas Parker, M. Sc., P.E. – Director and Audit Committee Chair
Harold A. Backer, B. Sc. – Executive Vice President Geology and Exploration
Wayne W. Heili, B. Sc. – Vice President, Mining and Engineering
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – Vice President, Canadian Exploration
Roger L. Smith, CPA, MBA – Chief Financial Officer and Vice President Finance, IT & Administration
Paul G. Goss, J.D., MBA – General Counsel and Corporate Secretary

Corporate Offices

<i>Corporate Headquarters:</i> 10758 West Centennial Road, Suite 200 Littleton (Denver), Colorado 80127 Phone: 720- 981-4588	<i>Canadian Exploration Office:</i> 341 Main Street North, Suite 206 Brampton, Ontario L6X 3C7 Phone: 905- 456-5436
<i>Wyoming Operations Office:</i> 5880 Enterprise Drive, Suite 200 Casper, Wyoming 82609 Phone: 307- 265-2373	<i>Registered Canadian Office:</i> 55 Metcalfe Street, Suite 1300 Attn: Virginia K. Schweitzer Ottawa, Ontario K1P 6L5 Phone: 613-236-3882

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Website

www.ur-energy.com

Trading Symbols

TSX: URE

NYSE Amex: URG

Independent Auditors

PricewaterhouseCoopers LLP, Vancouver

Corporate Legal Counsel

Fasken Martineau DuMoulin LLP, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Computershare Investor Services Inc., Toronto

Computershare Trust Company N.A. (U.S. Co-Transfer Agent and Co-Registrar), Golden, CO

Ur-Energy Inc.
(an Exploration Stage Company)
Headquartered in Littleton, Colorado

Audited Consolidated Financial Statements

December 31, 2010

(expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Ur-Energy Inc.

We have audited the accompanying consolidated financial statements of **Ur-Energy Inc.** (the "Company") which comprise the consolidated balance sheets as at December 31, 2010 and 2009, consolidated statements of operations, comprehensive loss and deficit and cash flows for the three years ended December 31, 2010, 2009 and 2008 and the cumulative period from March 22, 2004 to December 31, 2010 and the related notes including a summary of significant accounting policies.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2010 and 2009 and the results of its operations and its cash flows for the years ended December 31, 2010, 2009 and 2008 and the cumulative period from March 22, 2004 to December 31, 2010 in accordance with Canadian generally accepted accounting principles.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants

Vancouver, British Columbia

March 17, 2011

Ur-Energy Inc.
(an Exploration Stage Company)
Consolidated Balance Sheets

(expressed in Canadian dollars)

	December 31, 2010	December 31, 2009
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 3)	28,718,815	32,457,323
Short-term investments (note 3)	5,122,289	10,932,101
Marketable securities	93,375	29,250
Amounts receivable	19,025	19,509
Prepaid expenses	99,927	101,653
	<u>34,053,431</u>	<u>43,539,836</u>
Bonding and other deposits (note 4)	3,845,050	2,920,835
Mineral properties (note 5)	30,112,784	29,733,296
Capital assets (note 6)	3,209,627	2,739,121
Equity investments (note 7)	<u>2,769,117</u>	<u>2,769,117</u>
	<u>39,936,578</u>	<u>38,162,369</u>
	<u>73,990,009</u>	<u>81,702,205</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	831,297	1,046,963
Asset retirement obligation (note 9)	<u>503,101</u>	<u>503,712</u>
	<u>1,334,398</u>	<u>1,550,675</u>
Shareholders' equity (note 10)		
Capital stock	154,154,429	144,053,337
Warrants	44,271	—
Contributed surplus	12,448,505	13,671,699
Deficit	<u>(93,991,594)</u>	<u>(77,573,506)</u>
	<u>72,655,611</u>	<u>80,151,530</u>
	<u>73,990,009</u>	<u>81,702,205</u>

The accompanying notes are an integral part of these consolidated financial statements

Approved by the Board of Directors

(signed) /s/ Jeffery T. Klenda, Director

(signed) /s/ Thomas Parker, Director

Ur-Energy Inc.

(an Exploration Stage Company)

Consolidated Statements of Operation, Comprehensive Loss and Deficit

(expressed in Canadian dollars)

	Year Ended December 31, 2010 \$	Year Ended December 31, 2009 \$	Year Ended December 31, 2008 \$	Cumulative from March 22, 2004 Through December 31, 2010 \$
Expenses				
General and administrative	4,883,212	5,430,480	6,904,564	32,236,741
Exploration and evaluation	4,716,218	4,944,227	9,922,798	49,442,998
Development	5,258,072	6,931,303	8,854,536	21,043,911
Write-off of mineral properties	381,252	102,439	285,813	803,336
	<u>(15,238,754)</u>	<u>(17,408,449)</u>	<u>(25,967,711)</u>	<u>(103,526,986)</u>
Interest income	351,995	890,915	2,494,445	7,321,349
Loss on equity investments (note 7)	(29,432)	(17,855)	—	(47,287)
Foreign exchange gain (loss)	(1,558,108)	(3,506,111)	5,656,319	504,020
Other income (loss)	56,211	940,237	(36,638)	959,810
	<u>(16,418,088)</u>	<u>(19,101,263)</u>	<u>(17,853,585)</u>	<u>(94,789,094)</u>
Recovery of future income taxes	—	368,445	—	797,500
	<u>(16,418,088)</u>	<u>(18,732,818)</u>	<u>(17,853,585)</u>	<u>(93,991,594)</u>
Net loss and comprehensive loss for the period				
	<u>(77,573,506)</u>	<u>(58,840,688)</u>	<u>(40,987,103)</u>	<u>—</u>
Deficit - Beginning of period				
	<u>(93,991,594)</u>	<u>(77,573,506)</u>	<u>(58,840,688)</u>	<u>(93,991,594)</u>
Weighted average number of common shares outstanding:				
Basic and diluted	97,341,702	93,857,257	92,996,339	
Loss per common share:				
Basic and diluted	(0.17)	(0.20)	(0.19)	

The accompanying notes are an integral part of these consolidated financial statements

Ur-Energy Inc.

(an Exploration Stage Company)

Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

	Year Ended December 31, 2010 \$	Year Ended December 31, 2009 \$	Year Ended December 31, 2008 \$	Cumulative from March 22, 2004 Through December 31, 2010 \$
Cash provided by (used in)				
Operating activities				
Net loss for the period	(16,418,088)	(18,732,818)	(17,853,585)	(93,991,594)
Items not affecting cash:				
Stock based compensation	702,762	950,874	4,567,206	16,415,833
Amortization of capital assets	526,041	526,551	515,138	1,678,656
Provision for reclamation	26,578	75,526	260,924	544,700
Write-off of mineral properties	381,252	102,439	285,813	803,336
Foreign exchange loss (gain)	1,554,906	3,506,180	(5,656,319)	(507,153)
Gain on sale of assets	7,915	(1,073,635)	(5,361)	(1,071,081)
Non-cash exploration costs (credits)	—	(907,055)	—	1,819,225
Other loss (income)	(64,125)	(13,250)	51,998	(62,377)
Future income taxes	—	(368,445)	—	(797,500)
Change in non-cash working capital items:				
Amounts receivable	(255)	107,230	760,809	(8,590)
Prepaid expenses	(2,902)	(46,734)	557	(110,567)
Accounts payable and accrued liabilities	(189,803)	(1,090,163)	535,491	688,149
	<u>(13,475,719)</u>	<u>(16,963,300)</u>	<u>(16,537,329)</u>	<u>(74,598,963)</u>
Investing activities				
Mineral property costs	(755,329)	(497,761)	(874,762)	(11,713,902)
Purchase of short-term investments	(18,930,806)	(37,206,445)	(64,851,470)	(183,817,742)
Sale of short-term investments	24,609,301	64,971,242	77,781,918	180,202,461
Decrease (increase) in bonding and other deposits	(1,103,629)	(879,758)	(602,778)	(4,094,741)
Payments from venture partner	—	146,806	—	146,806
Proceeds from sale of capital assets	17,769	1,082,956	26,344	1,127,069
Purchase of capital assets	(1,022,231)	(1,317,221)	(1,586,784)	(4,898,304)
	<u>2,815,075</u>	<u>26,299,819</u>	<u>9,892,468</u>	<u>(23,048,353)</u>
Financing activities				
Issuance of common shares and warrants for cash	5,000,000	—	2,750,000	127,668,053
Share issue costs	(279,849)	—	(115,314)	(2,848,874)
Proceeds from exercise of warrants and stock options	3,519,256	1,393	90,000	22,088,580
Payment of New Frontiers obligation	—	—	—	(17,565,125)
	<u>8,239,407</u>	<u>1,393</u>	<u>2,724,686</u>	<u>129,342,634</u>
Effects of foreign exchange rate changes on cash	<u>(1,317,271)</u>	<u>(2,680,324)</u>	<u>3,407,153</u>	<u>(2,976,503)</u>
Net change in cash and cash equivalents	<u>(3,738,508)</u>	<u>6,657,588</u>	<u>(513,022)</u>	<u>28,718,815</u>
Beginning cash and cash equivalents	<u>32,457,323</u>	<u>25,799,735</u>	<u>26,312,757</u>	<u>—</u>
Ending cash and cash equivalents	<u>28,718,815</u>	<u>32,457,323</u>	<u>25,799,735</u>	<u>28,718,815</u>
Non-cash financing and investing activities:				
Common shares issued for properties	—	452,250	—	1,164,750

The accompanying notes are an integral part of these consolidated financial statements

(expressed in Canadian dollars)

1. Nature of operations

Ur-Energy Inc. (the “Company”) is an exploration stage junior mining company headquartered in Littleton, Colorado, engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties located primarily in the United States with additional exploration interests in Canada. Due to the nature of the uranium mining methods to be used by the Company on the Lost Creek property, and the definition of “mineral reserves” under National Instrument 43-101 (“NI 43-101”), which uses the Canadian Institute of Mining (“CIM”) Definition Standards, the Company has not determined whether the properties contain mineral reserves. However, the Company’s March 16, 2011 NI 43-101 compliant “Preliminary Assessment Lost Creek Project, Sweetwater County, Wyoming” outlines the economic viability of the Lost Creek project, which is currently in the permitting process with state and federal regulators. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

2. Significant accounting policies

Basis of presentation

Ur-Energy Inc. was incorporated on March 22, 2004 under the laws of the Province of Ontario. The Company continued under the Canada Business Corporations Act on August 8, 2006. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries Ur-Energy USA Inc., NFU Wyoming, LLC, Lost Creek ISR, LLC, NFUR Bootheel, LLC, Hauber Project LLC, NFUR Hauber, LLC, ISL Resources Corporation, ISL Wyoming, Inc. and CBM-Energy Inc. All inter-company balances and transactions have been eliminated upon consolidation. Ur-Energy Inc. and its wholly-owned subsidiaries are collectively referred to herein as the “Company”. The significant measurement differences between Canadian generally accepted accounting principles and those that would be applied under United States generally accepted accounting principles (“US GAAP”) as they affect the Company are disclosed in Note 16.

Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The most significant estimates management makes in the preparation of these financial statements relate to potential impairment in the carrying value of the Company’s mineral properties, fair value of stock based compensation and recoverability of future income taxes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash equivalents are investments in guaranteed investment certificates, certificates of deposit and money market accounts which have a term to maturity at the time of purchase of ninety days or less and which are readily convertible into cash.

Short-term investments

Short-term investments are comprised of guaranteed investment certificates and certificates of deposit which have a term to maturity at the time of purchase in excess of ninety days and less than one year. These investments are readily convertible into cash.

Bonding deposits

Bonding deposits are provided to support reclamation obligations on United States properties. Deposit amounts are invested in certificates of deposit held at United States financial institutions.

Mineral properties

Acquisition costs of mineral properties are capitalized. When production is attained, these costs will be amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property. If properties are abandoned or sold, they are written off. If properties are considered to be impaired in value, the costs of the properties are written down to their estimated fair value at that time.

(expressed in Canadian dollars)

Exploration costs

Exploration, evaluation and development expenditures, including annual exploration lease and maintenance fees, are charged to earnings as incurred until a mineral property becomes commercially minable.

Management considers that a mineral property is commercially minable when it can be legally mined, as indicated by the receipt of key permits. Development expenditures incurred subsequent to the receipt of key permits are capitalized and amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property.

Capital assets

Capital assets are initially recorded at cost and are then amortized using a declining balance method using the following lives: software – 3 years; computers, field vehicles and filed equipment – 5 years and office furniture - 7 years. Capitalized pre-construction costs consist of design and engineering costs for the construction of the processing facility as well as deposits on equipment with long lead times. The costs will not be amortized until the facility is complete and production has begun at which time it will be amortized over the life of the facility.

Equity Investments

Investments in which the Company has a significant influence are accounted for using the equity method, whereby the Company records its proportionate share of the investee's income or loss.

Financing costs

Financing costs, including interest, are capitalized when they arise from indebtedness incurred, directly or indirectly, to finance mineral property acquisitions or construction activities on properties that are not yet subject to depreciation or depletion. Once commercial production is achieved, financing costs are charged against earnings.

Impairment of long-lived assets

The Company assesses the possibility of impairment in the net carrying value of its long-lived assets when events or circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. When potential impairment is indicated, management calculates the estimated undiscounted future net cash flows relating to the asset or asset group using estimated future prices, recoverable indicated resources and other mineral resources, and operating, capital and reclamation costs. When the carrying value of an asset exceeds the related undiscounted cash flows, the asset is written down to its estimated fair value, which is determined using discounted future cash flows or other measures of fair value. Management's estimates of mineral prices, mineral resources, foreign exchange, production levels and operating capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

Asset retirement obligation

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. Accretion charges to the asset retirement obligation are charged to expense. The retirement obligations recorded relate entirely to exploration and development drill holes, related monitor wells and site disturbance on the Company's Wyoming properties and are being expensed currently as a cost of exploration and development.

Stock-based compensation

All stock-based compensation payments made to employees are accounted for in the financial statements. Stock-based compensation cost is measured at the grant date based on the fair value of the reward and is recognized over the related service period. Stock-based compensation cost is charged to general and administrative expense, or exploration, evaluation and development projects on the same basis as other compensation costs.

(expressed in Canadian dollars)

Flow-through shares

The Company has financed a portion of its Canadian exploration and development activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax benefits of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers. Recognition of the foregone tax benefit is recorded at the time of the renouncement provided there is reasonable assurance that the expenditures will be incurred.

Foreign currency translation

The functional currency of the Company is the Canadian dollar. Monetary assets and liabilities denominated in currencies other than the Canadian dollar are translated using the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the average rates of exchange in effect for the month the assets were acquired or obligations incurred. Expenses are translated at the average exchange rates in effect for the month the transaction is entered into. Translation gains or losses are included in the determination of income or loss in the statement of operations in the period in which they arise.

Income taxes

The Company accounts for income taxes under the asset and liability method which requires the recognition of future income tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. The Company provides a valuation allowance on net future tax assets unless it is more likely than not that such assets will be realized.

Loss per common share

Basic loss per common share is calculated based upon the weighted average number of common shares outstanding during the period. The diluted loss per common share, which is calculated using the treasury stock method, is equal to the basic loss per common share due to the anti-dilutive effect of stock options and share purchase warrants outstanding.

Classification of financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, amounts receivable, bonding and other deposits and accounts payable and accrued liabilities. The Company has made the following classifications for these financial instruments:

- Cash and cash equivalents are classified as "held for trading" and are measured at fair value at the end of each period with any resulting gains and losses recognized in operations.
- Short term investments are classified as "held-to-maturity" and carried at cost plus accrued interest using the effective interest rate method, with interest income and exchange gains and losses included in operations.
- Marketable securities are classified as "held for trading" and are measured at fair value at the end of each period with any resulting gains and losses recognized in operations.
- Amounts receivable, bonding and other deposits are classified as "Loans and receivables" and are recorded at amortized cost. Interest income is recorded using the effective interest rate method and is included in income for the period.
- Accounts payable and accrued liabilities are classified as "Other financial liabilities" and are measured at amortized cost.

Ur-Energy Inc.
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Notes to Audited Consolidated Financial Statements
December 31, 2010

(expressed in Canadian dollars)

3. Cash and cash equivalents and short-term investments

The Company's cash and cash equivalents are composed of:

	As at December 31, 2010 \$	As at December 31, 2009 \$
Cash on deposit at banks	265,168	308,918
Guaranteed investment certificates	287,500	287,500
Money market funds	28,166,147	25,564,505
Certificates of deposit	—	6,296,400
	<u>28,718,815</u>	<u>32,457,323</u>

The Company's short term investments are composed of:

	As at December 31, 2010 \$	As at December 31, 2009 \$
Guaranteed investment certificates	5,122,289	2,342,637
Certificates of deposit	—	8,589,464
	<u>5,122,289</u>	<u>10,932,101</u>

The Company's cash and cash equivalents of \$28.7 million and short-term investments of \$5.1 million consist of Canadian dollar and U.S. dollar denominated deposit accounts, guaranteed investment certificates, money market funds and certificates of deposits. They bear interest at annual rates ranging from 0.45% to 1.20% and mature at various dates up to November 24, 2011. The instruments with initial maturity over ninety days have been classified as short-term investments.

4. Bonding and other deposits

Bonding and other deposits consists of \$3,845,050 (December 31, 2009 – \$2,920,835) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Bonding deposits are refundable, once the reclamation is complete.

Ur-Energy Inc.
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Notes to Audited Consolidated Financial Statements
December 31, 2010

(expressed in Canadian dollars)

5. Mineral properties

	USA	Canada	Total	
	Lost Creek/ Lost Soldier \$	Other US Properties \$	Canadian Properties \$	\$
Balance, December 31, 2008	24,316,716	6,874,945	617,160	31,808,821
Acquisition costs	—	402,134	—	402,134
Staking and claim costs	7,940	419,322	(29,932)	397,330
Property write-offs	—	(38,936)	(63,561)	(102,497)
Assets sold	—	(3,375)	—	(3,375)
Property reclassified as investment (note 7)	—	(2,769,117)	—	(2,769,117)
Balance, December 31, 2009	24,324,656	4,884,973	523,667	29,733,296
Acquisition costs	—	232,859	—	232,859
Labor, outside services and other costs	—	527,881	—	527,881
Property write-offs	—	(381,252)	—	(381,252)
Balance, December 31, 2010	24,324,656	5,264,461	523,667	30,112,784

United States

Lost Creek and Lost Soldier

The Company acquired certain Wyoming properties when Ur-Energy USA Inc. entered into the Membership Interest Purchase Agreement ("MIPA") with New Frontiers Uranium, LLC effective June 30, 2005. Under the terms of the MIPA, the Company purchased 100% of the issued and outstanding membership interests in NFU Wyoming, LLC. Assets acquired in this transaction include the Lost Creek and Lost Soldier projects and a development database. The 100% interest in NFU Wyoming was purchased for an aggregate consideration of \$24,515,832 (US\$20,000,000) plus interest.

A royalty on future production of 1.67% is in place with respect to 20 claims comprising a small portion of the Lost Creek project claims.

Other U.S. Properties

The Company holds other mineral properties in Wyoming including EN, LC North and LC South as well as other exploration properties.

In January 2009, the Company entered into certain agreements for the transfer of certain mineral claims, royalties and other property rights for an aggregate consideration of 650,000 common shares and US\$64,000.

During the second quarter of 2009, the Company wrote-off its Muggins Mountain claims in Arizona.

In the third quarter of 2009, the other member of The Bootheel Project, LLC (the "Project") completed its earn-in requirement resulting in a reduction in the Company's interest to 25%. As a result, the Company's interest in the Project is now reflected as an Investment (See Note 7).

On August 25, 2009, the Company sold its database of geologic information related to the Moorcroft project in Wyoming for US\$1.0 million and a 1% royalty on future production from a broad-ranging project area in the Eastern Powder River Basin of Wyoming. As the project is still in exploration and evaluation, management of the Company does not have enough information to determine if any royalties will ever be received and therefore is not attributing any value to those royalties. The gain of \$1,079,475 on this sale is reported in Other Income in the Statement of Operations.

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On August 26, 2009, the Company entered into an agreement to acquire 141 mining claims that have become part of the LC South Project. The Company paid the annual claim maintenance fees in August 2009 and the agreement closed on September 2, 2009 with the issuance of 45,000 common shares and the transfer of title.

During the year 2010, the Company entered into a number of lease agreements to acquire surface and mineral rights in Nebraska in anticipation of an exploration and evaluation project in that area.

During the year ended December 31, 2010, the Company wrote off mineral property costs associated with the Kaycee claims in Wyoming. During the year ended December 31, 2009, the Company wrote off mineral property costs associated with the Muggins Mountain claims in Arizona.

Canada

The Company's Canadian properties include Screech Lake and Gravel Hill, which are located in the Thelon Basin, Northwest Territories and Bugs, which is located in the Kivalliq region of the Baker Lake Basin, Nunavut. During the year ended December 31, 2009, the Company wrote off mineral property costs associated with the Eyeberry claims.

Impairment testing

As a part of their annual mineral property analysis, management reviewed all of its significant mineral properties for potential impairment as at December 31, 2010.

For the Company's Lost Creek property, management reviewed the calculations done as of December 31, 2010 and determined that the underlying costs, assumptions and time lines have not changed significantly and therefore no impairment existed as of December 31, 2010. This conclusion is further supported by the recent increase in current and long-term uranium prices. Management calculated the future net cash flows using estimated future prices, indicated resources, and estimated operating, capital and reclamation costs.

Other than for those properties written off during the year, management did not identify impairment indicators for any of its mineral properties.

6. Capital assets

	December 31, 2010			December 31, 2009		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Rolling stock	1,922,483	1,129,598	792,885	1,646,607	792,538	854,069
Machinery and equipment	296,233	212,475	83,758	277,552	160,212	117,340
Furniture, fixtures and leasehold improvements	74,992	37,958	37,034	72,687	29,167	43,520
IT	557,998	358,810	199,188	523,997	246,211	277,786
Pre-construction costs	2,096,762	—	2,096,762	1,446,406	—	1,446,406
	<u>4,948,468</u>	<u>1,738,841</u>	<u>3,209,627</u>	<u>3,967,249</u>	<u>1,228,128</u>	<u>2,739,121</u>

Depreciation and amortization expense was \$0.5 million, \$0.5 million and \$0.5 million for the years ended December 31, 2010, 2009 and 2008, respectively.

7. Equity investments

In the third quarter of 2009, the other member of The Bootheel Project, LLC (the "Project") completed its earn-in requirement by spending US\$3.0 million and now has a 75% interest in the Project with the Company retaining the other 25%. From the date of the earn-in, the other member is now required to fund 75% of the Project's expenditures and the Company the remaining 25%. As the Company is no longer the controlling member of the Project, the Project is now accounted for using the equity accounting method with the Company's proportionate share of the Project's loss included in the Statement of Operations from the date of earn-in and the Company's net investment reflected on the Balance Sheet.

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(expressed in Canadian dollars)

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following at December 31, 2010 and 2009:

	As at December 31, 2010	As at December 31, 2009
Accounts payable	580,145	758,639
Vacation pay payable	182,404	187,840
Payroll and other taxes	68,748	100,484
	<u>831,297</u>	<u>1,046,963</u>

9. Asset retirement obligation

The Company has recorded \$503,101 for asset retirement obligations (December 31, 2009 – \$503,712) which represents an estimate of costs that would be incurred to remediate the exploration and development properties. The retirement obligations recorded relate entirely to exploration and development drill holes, related monitor wells and site disturbance on the Company's U.S. properties.

10. Shareholders' equity and capital stock

Authorized

The Company is authorized to issue an unlimited number of no-par common shares and an unlimited number of Class A preference shares with the rights, privileges and restrictions as determined by the Board of Directors at the time of issuance.

No Class A preference shares have been issued

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(expressed in Canadian dollars)

	Capital Stock		Warrants	Surplus	Contributed Deficit	Accumulated Equity
	Shares	Amount				
	#	\$				
Balance, December 31, 2007	92,171,607	141,623,534	—	8,202,595	(40,987,103)	108,839,026
Common shares issued for cash, net of issue costs	1,000,000	2,634,686	—	—	—	2,634,686
Exercise of stock options	72,000	138,240	—	(48,240)	—	90,000
Non-cash stock compensation	—	—	—	—	—	4,567,204
Net loss and comprehensive loss	—	—	—	—	(17,853,585)	(17,853,585)
Balance, December 31, 2008	93,243,607	144,396,460	—	12,721,559	(58,840,688)	98,277,331
Common shares issued for properties	695,000	452,250	—	—	—	452,250
Exercise of stock options	1,961	2,127	—	(734)	—	1,393
Tax effect of renunciation of flow-through shares	—	(797,500)	—	—	—	(797,500)
Non-cash stock compensation	—	—	—	—	—	950,874
Net loss and comprehensive loss	—	—	—	—	(18,732,818)	(18,732,818)
Balance, December 31, 2009	93,940,568	144,053,337	—	13,671,699	(77,573,506)	80,151,530
Exercise of stock options	3,057,444	5,400,941	—	(1,881,685)	—	3,519,256
Common shares issued for cash, net of issue costs	5,000,000	4,700,151	—	—	—	4,700,151
Non-cash warrant costs	—	—	44,271	—	—	44,271
Non-cash stock compensation	—	—	—	658,491	—	658,491
Net loss and comprehensive loss	—	—	—	—	(16,418,088)	(16,418,088)
Balance, December 31, 2010	<u>101,998,012</u>	<u>154,154,429</u>	<u>44,271</u>	<u>12,448,505</u>	<u>(93,991,594)</u>	<u>72,655,611</u>

2008 issuances

On March 25, 2008, the Company completed a non-brokered private placement of 1,000,000 flow-through common shares at \$2.75 per share raising gross proceeds of \$2,750,000. Total direct share issues costs were \$115,314.

2009 issuances

In January 2009, the Company entered into certain agreements for the transfer of certain mineral claims, royalties and other property rights for an aggregate consideration of 650,000 common shares as well as a US\$64,000 cash payment.

On August 26, 2009, the Company entered into an agreement to acquire 141 mining claims that have become part of the LC South Project. The Company paid the annual claim maintenance fees in August 2009 and the agreement closed on September 2, 2009 with the issuance of 45,000 common shares and transfer of title.

2010 Issuances

On May 31, 2010, the Company completed a private placement of 5,000,000 common shares at \$1.00 per share raising gross proceeds of \$5,000,000. Total direct share issue costs, including the placement agent's commission, were \$299,849.

During 2010, 3,057,444 common shares were issued pursuant to the exercise of stock options.

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Warrants

The Company issued 100,000 warrants to purchase stock at \$1.20 per share to its consultant GVC Advisors, LLC on November 1, 2010. During the year ended December 31, 2010, the Company recorded \$44,271 in non-cash warrant costs related to the commitment.

Stock options

On November 17, 2005, the Company's Board of Directors approved the adoption of the Company's stock option plan (the "Option Plan"). Eligible participants under the Option Plan include directors, officers and employees of the Company and consultants to the Company. Under the terms of the Option Plan, stock options generally vest with Option Plan participants as follows: 10% at the date of grant; 22% four and one-half months after grant; 22% nine months after grant; 22% thirteen and one-half months after grant; and, the balance of 24% eighteen months after the date of grant.

Activity with respect to stock options is summarized as follows:

	Options #	Weighted average exercise price \$
Outstanding, December 31, 2007	8,010,700	2.89
Granted	1,075,000	1.66
Exercised	(72,000)	1.25
Forfeited	(295,000)	2.50
Voluntarily returned	(2,490,000)	4.85
Outstanding, December 31, 2008	6,228,700	1.46
Granted	2,204,264	0.80
Exercised	(1,961)	0.71
Forfeited	(58,351)	2.07
Expired	(11,200)	1.65
Outstanding, December 31, 2009	8,361,452	1.65
Granted	798,537	0.81
Exercised	(3,057,444)	1.15
Forfeited	(75,470)	0.84
Expired	(361,507)	2.06
Outstanding, December 31, 2010	5,665,568	1.79

The weighted average grant date fair value was \$0.44, \$0.43 and \$0.86 for the years ended December 31, 2010, 2009 and 2008, respectively. The exercise price of a new grant is set at the closing price for the stock on the Toronto Stock Exchange (TSX) from the day before so there is no intrinsic value as of the date of issue. The total fair value of shares vested during the years ended December 31, 2010, 2009 and 2008 were \$0.7 million, \$1.1 million and \$5.9 million, respectively.

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As at December 31, 2010, outstanding stock options are as follows:

Exercise price \$	Options outstanding			Options exercisable			Expiry
	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value \$	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value \$	
2.35	1,400,000	0.3	882,000	1,400,000	0.3	882,000	April 21, 2011
2.75	320,000	0.7	73,600	320,000	0.7	73,600	September 26, 2011
4.75	30,000	1.4	—	30,000	1.4	—	May 15, 2012
3.67	200,000	1.5	—	200,000	1.5	—	July 15, 2012
3.00	437,500	1.6	—	437,500	1.6	—	August 9, 2012
3.16	50,000	1.7	—	50,000	1.7	—	September 17, 2012
2.98	50,000	1.8	—	50,000	1.8	—	October 5, 2012
4.07	30,000	1.9	—	30,000	1.9	—	November 7, 2012
1.65	860,000	2.4	1,143,800	860,000	2.4	1,143,800	May 8, 2013
1.72	25,000	2.6	31,500	25,000	2.6	31,500	August 6, 2013
0.71	534,019	3.1	1,212,223	534,019	3.1	1,212,223	February 9, 2014
0.90	1,041,928	3.7	2,167,210	781,273	3.7	1,625,048	September 2, 2014
0.81	687,121	4.2	1,491,053	356,050	4.2	772,629	March 5, 2015
1.79	5,665,568	2.2	7,001,386	5,073,842	2.0	5,740,800	

The aggregate intrinsic value of the options in the preceding table represents the total pretax intrinsic value for stock options with an exercise price less than the Company's TSX closing stock price of \$2.98 as of December 31, 2010, the last trading day of the fiscal year, that would have been received by the option holders had they exercised their options as of that date. The total number of in-the-money stock options outstanding as of December 31, 2010 was 4,868,068. The total number of in-the-money stock options exercisable as of December 31, 2010 was 4,276,342.

Restricted Share Units ("RSU")

On May 7, 2010, the Company's Board of Directors approved the adoption of the Company's restricted share unit plan (the "RSU Plan"). Eligible participants under the RSU Plan include directors, officers and employees of the Company. Under the terms of the RSU Plan, restricted share units vest with participants as follows: 50% on the first anniversary of the date of the grant and 50% on the second anniversary of the date of the grant.

As of December 31, 2010, no restricted share units have been awarded under the RSU Plan.

Share-Based Compensation Expense

Stock-based compensation expense was \$0.7 million, \$1.0 million and \$4.6 million for the years ended December 31, 2010, 2009 and 2008, respectively.

As of December 31, 2010, there was approximately \$0.2 million of total unrecognized compensation expense (including the impact of expected forfeitures) related to unvested share-based compensation arrangements granted under the Option Plan. That expense is expected to be recognized over a weighted-average period of 0.5 years.

Cash received from stock options exercised during the years ended December 31, 2010, 2009 and 2008 was \$3.5 million, less than \$0.1 million and less than \$0.1 million, respectively.

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Fair Value Calculations

The fair value of options granted and warrants authorized during the years ended December 31, 2010, 2009 and 2008 was determined using the Black-Scholes option pricing model with the following assumptions:

	2010	2009	2008
Expected warrant life (years)	2.75	—	—
Expected option life (years)	3.12 - 3.14	2.85 - 3.01	4.0
Expected volatility	81-82%	82 - 83%	65%
Risk-free interest rate	1.7-1.9%	1.4 - 1.9%	3.0% - 3.4%
Forfeiture rate	4.3%	4.4 - 4.6%	—
Expected dividend rate	0%	0%	0%

The Company estimates expected volatility using daily historical trading data of the Company's common stock, primarily because this method is recognized as a valid method used to predict future volatility and management has not identified a more appropriate method. The risk-free interest rates are determined by reference to Canadian Treasury note constant maturities that approximate the expected option term. The Company has never paid dividends and currently has no plans to do so.

Stock-based compensation expense is recognized net of estimated pre-vesting forfeitures, which results in recognition of expense on options that are ultimately expected to vest over the expected option term. Forfeitures were estimated using actual historical forfeiture experience.

Although the estimated fair values of employee stock options are determined as outlined above, these estimates are based on assumptions regarding a number of highly complex and subjective variables, including the Company's stock price volatility over the expected terms of the awards, estimates of the expected option terms, including actual and expected employee option exercise behaviors and estimates of pre-vesting forfeitures. Changes in any of these assumptions could materially affect the estimated value of employee stock options and, therefore the valuation methods used may not provide the same measure of fair value observed in a willing buyer/willing seller market transaction

11. Income taxes

The Company has incurred net losses since inception.

Company recorded no income tax provision or benefit during fiscal 2010.

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A reconciliation of income taxes at the statutory Canadian income tax rate to net income taxes included in the accompanying statements of operations is as follows:

	Year ended December 31, 2010 \$	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$
Loss before income taxes	(16,418,088)	(19,101,263)	(17,853,585)
Statutory rate	31.0%	33.0%	33.5%
Expected recovery of income tax	(5,089,465)	(6,303,349)	(5,980,951)
Effect of foreign tax rate differences	(885,716)	(604,323)	(731,366)
Non-deductible amounts	531,119	1,222,519	1,530,012
Effect of changes in future tax rates	124,105	766,407	(43,662)
Effect of change in foreign exchange rates	973,249	2,672,559	(3,370,258)
ISL change in basis	—	429,055	—
Effect of renouncement of flow through shares	—	(797,500)	—
Effect of non-deductible exploration expenditures	—	280,040	—
Effect of 2009 tax provision to tax return true-up items	2,103	—	—
Change in valuation allowance	4,344,605	1,966,147	8,596,225
Recovery of future income taxes	—	(368,445)	—

Deferred tax assets and liabilities reflect the net tax effects of net operating losses, credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities are as follows:

	Year ended December 31, 2010 \$	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$
Future income tax assets			
Net tax on deferred expenses	12,586,000	12,406,000	18,104,000
Net operating loss carry forwards	16,688,000	12,521,000	2,389,000
Less: valuation allowance	(29,274,000)	(24,927,000)	(20,493,000)
	—	—	—
Future income tax liabilities			
Asset basis differences	—	—	(478,000)
Net deferred tax asset (future income tax liability)	—	—	(478,000)

Based upon the level of historical taxable loss and projections of future taxable losses over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will not realize the benefits of these deductible differences and accordingly has established a full valuation allowance as of December 31, 2010 and 2009.

Future realization depends on the future earnings of the Company, if any, the timing and amount of which are uncertain as of December 31, 2010. In the future, should management conclude that it is more likely than not that the deferred tax assets are, in fact, at least in part, realizable; the valuation allowance would be reduced to the extent of such realization and recognized as a deferred income tax benefit in the Company's Statements of Operations and Comprehensive Loss.

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Certain tax benefits from employee stock option exercises are included in the deferred tax asset balances as of December 31, 2010 and 2009 as a component of the Company's net operating loss carryforwards. The entire balance is offset by a valuation allowance. The deferred tax asset balances as of December 31, 2010 do not include excess tax benefits from stock option exercises of approximately \$0.2 million. There are no excess tax benefits from stock option exercises as of December 31, 2009 due to the limited number of exercises. Effective January 1, 2011 when the Company adopts US GAAP, equity will be increased if and when such excess tax benefits are ultimately realized.

As of December 31, 2010, the Company had available total US net operating loss carryforwards of approximately \$33.2 million, which expire in the years 2025 through 2030. As of December 31, 2010, the Company had available total Canadian net operating loss carryforwards of approximately \$16.2 million, which expire in the years 2014 through 2030.

The Tax Reform Act of 1986 contains provisions, among others, that limit the utilization of net operating loss and tax credit carryforwards if there has been a "change of ownership" as described in Section 382 of the Internal Revenue Code. Such a change of ownership may limit the Company's utilization of its net operating loss and tax credit carryforwards and could be triggered by subsequent sales of securities by the Company or its stockholders.

The Company follows a comprehensive model for recognizing, measuring, presenting and disclosing uncertain tax positions taken or expected to be taken on a tax return. Tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company currently has no uncertain tax positions and is therefore not reflecting any adjustments for such in their deferred tax assets.

There are open statutes of limitations for taxing authorities in federal and state jurisdictions to audit the Company's tax returns for the years ended December 31, 2007, 2008 and 2009.

The Company's policy is to account for income tax related interest and penalties in income tax expense in the accompanying Statements of Operations. There have been no income tax related interest or penalties assessed or recorded.

12. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, amounts receivable, bonding and other deposits and accounts payable. The Company is exposed to risks related to changes in foreign currency exchange rates, interest rates and management of cash and cash equivalents and short term investments. See the table in Note 3 for the composition of the Company's cash and cash equivalents.

Fair Value Measurements

CICA Handbook Section 3862 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Quoted prices for identical instruments in active markets;

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3: Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

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The following table sets forth the Company's financial assets measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy.

	Fair Value at December 31, 2010			
	Total	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Assets:				
Money market investments (1)	28,166,147	28,166,147	—	—
Guaranteed investment certificates (2)	5,409,789	3,522,289	1,887,500	—
Marketable equity securities (3)	93,375	93,375	—	—
	33,669,311	31,781,811	1,887,500	—

- (1) Included in *Cash and cash equivalents* in the Company's consolidated balance sheets.
- (2) Included in *Cash and equivalents* or *Short-term investments* in the Company's consolidated balance sheets depending on the original term of the Certificate.
- (3) Included in *Marketable securities* in the Company's consolidated balance sheets.

The Company invests in money market funds, which are traded by dealers or brokers in active over-the-counter markets.

The Company's money market funds and guaranteed investment certificates which are actively traded by dealers or brokers are classified within Level 1 of the fair value hierarchy. Guaranteed investment certificates and certificates of deposit which are purchased directly from banks are classified within Level 2 of the fair value hierarchy.

The fair value of the financial instruments approximates carrying value due to the short-term nature of these items.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short term investments and bonding deposits. The Company's cash equivalents and short-term investments consist of Canadian dollar and US dollar denominated guaranteed investment certificates and certificates of deposits. They bear interest at annual rates ranging from 0.40% to 1.20% and mature at various dates up to November 24, 2011. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$6.6 million is covered by either the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation. Another \$3.5 million is guaranteed by a Canadian provincial government leaving approximately \$23.7 million at risk should the financial institutions with which these amounts are invested cease trading. As at December 31, 2010, the Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through regular cash flow forecasting of cash requirements to fund exploration and development projects and operating costs.

As at December 31, 2010 the Company's liabilities consisted of trade accounts payable of \$831,297, all of which are due within normal trade terms of generally 30 to 60 days.

Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. Market risk arises as a result of the Company incurring a significant portion of its expenditures and a significant portion of its cash equivalents and short-term investments in United States dollars, and holding cash equivalents and short term investments which earn interest.

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Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents and short term investments. The Company's objectives for managing its cash and cash equivalents are to maintain sufficient funds on hand at all times to meet day to day requirements and to place any amounts which are considered in excess of day to day requirements on short-term deposit with the Company's financial institutions so that they earn interest. When placing amounts of cash and cash equivalents on short-term deposit, the Company only uses financial institutions studied by the Company for financial stability (measured by independent rating services and reviews of the entity's financial statements, where appropriate) and approved by the Treasury and Investment committee of the Board of Directors.

Currency risk

The Company incurs expenses and expenditures in Canada and the United States and is exposed to risk from changes in foreign currency rates. In addition, the Company holds financial assets and liabilities in Canadian and US dollars. The Company does not utilize any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates.

At December 31, 2010 the Company had cash and cash equivalents, short term investments and bonding deposits of approximately US\$29.4 million (US\$38.1 million as at December 31, 2009) and had accounts payable of US\$0.8 million (US\$0.8 million as at December 31, 2009) which were denominated in US dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net US\$ denominated assets and liabilities at year end. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in US\$ foreign exchange rate would have a +/- \$2.9 million impact on net loss for the year ended December 31, 2010. This impact is primarily as a result of the Company having yearend cash and investment balances denominated in US dollars and US dollar denominated trade accounts payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.4 million impact on net loss for the year ended December 31, 2010. The Company's average interest rate for the year was 0.84% (84 basis points). This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ from that shown above.

13. Segmented information

The Company's operations comprise one reportable segment being the exploration and development of uranium resource properties. The Company operates in the United States and Canada. Non-current assets segmented by geographic area are as follows:

	December 31, 2010		
	United States	Canada	Total
	\$	\$	\$
Bonding and other deposits	3,845,050	—	3,845,050
Mineral properties	29,589,117	523,667	30,112,784
Capital assets	3,209,627	—	3,209,627
Investments	2,769,117	—	2,769,117
	39,412,911	523,667	39,936,578

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	December 31, 2009		
	United States	Canada	Total
	\$	\$	\$
Bonding and other deposits	2,920,835	—	2,920,835
Mineral exploration properties	29,209,629	523,667	29,733,296
Capital assets	2,736,940	2,181	2,739,121
Investments	2,769,117	—	2,769,117
	<u>37,636,521</u>	<u>525,848</u>	<u>38,162,369</u>

14. Commitments

Under the terms of operating leases for office premises in Littleton, Colorado and in Casper, Wyoming the Company is committed to minimum annual lease payments as follows:

Year ended December 31,	Amount
	\$
2011	156,074
2012	96,428
2013	—
2014 and thereafter	—
Year ended December 31,	<u>252,502</u>

Rent expense under these agreements was \$0.3 million, \$0.3 million and \$0.3 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Although construction of the Lost Creek plant will not begin until receipt of the necessary authorizations, request for quotations for all major process equipment at the Lost Creek project have been prepared and solicited from vendors and contractors. Bids are currently being evaluated and procurement will be ongoing through the commencement of construction.

Purchase orders totaling US\$2.4 million have been issued for ion exchange columns and other process equipment. Payments of US\$1.1 million have been made to date on these purchase orders. These payments are reflected in pre-construction costs which are included in capital assets (note 6).

The Company may be subject from time to time to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of these proceedings and claims cannot be predicted with certainty, the Company's management does not believe that the outcome of any pending legal matters will have a material adverse affect on its consolidated financial position, results of operations or cash flows.

15. Capital structure

The Company's capital structure is comprised of Shareholders' Equity. When managing its capital structure, the Company's objectives are i) to preserve the Company's access to capital markets and its ability to meet its financial obligations and ii) to finance its exploration and development activities and operating costs.

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration and development programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration and development programs, operating expenditure plans, or issue new shares. The Company's capital management objectives have remained unchanged over the periods presented.

The Company is not subject to any externally imposed capital requirements.

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16. Differences between Canadian and United States generally accepted accounting principles

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”), which differ in certain material respects from those principles that the Company would have followed had its consolidated financial statements been prepared in accordance with United States generally accepted accounting principles (“US GAAP”). Had the Company followed US GAAP, certain items on the consolidated balance sheets, consolidated statements of operations and deficit, and consolidated statements of cash flow would have been reported as follows:

Consolidated balance sheets

	As at December 31, 2010 \$	As at December 31, 2009 \$
<i>Total assets</i>		
Total assets under Canadian GAAP	73,990,009	81,702,205
Adjustments made under US GAAP:		
Adjustment for New Frontiers settlement (a)	<u>2,016,156</u>	<u>2,016,156</u>
Total assets under US GAAP	<u>76,006,165</u>	<u>83,718,361</u>
<i>Total liabilities and shareholders' equity</i>		
Total liabilities under Canadian GAAP	1,334,398	1,550,675
Adjustments made under US GAAP:		
Total liabilities under US GAAP	1,334,398	1,550,675
Total shareholders' equity under Canadian GAAP	72,655,611	80,151,530
Adjustments made under US GAAP:		
Prior year income adjustments		
Gain on settlement of New Frontiers obligation (a)	<u>2,016,156</u>	<u>2,016,156</u>
Total shareholders' equity under US GAAP	<u>74,671,767</u>	<u>82,167,686</u>
Total liabilities and shareholders' equity under US GAAP	<u>76,006,165</u>	<u>83,718,361</u>

Consolidated statements of operations and comprehensive loss

	Year ended December 31, 2010 \$	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$	Cumulative from March-04 Through December 31, 2010 \$
<i>Net loss</i>				
Net loss under Canadian GAAP	(16,418,088)	(18,732,818)	(17,853,585)	(93,991,594)
Adjustments made under US GAAP:				
Gain on settlement of New Frontiers obligation (a)	—	—	—	2,016,156
Deferred tax adjustment (c)	—	(478,000)	—	—
Income tax adjustment on renunciation of flow through shares (b)	—	32,500	—	(1,093,040)
Net loss under US GAAP, being comprehensive loss	<u>(16,418,088)</u>	<u>(19,178,318)</u>	<u>(17,853,585)</u>	<u>(93,068,478)</u>
Basic and diluted loss per share under US GAAP	(0.17)	(0.20)	(0.19)	

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Consolidated statements of cash flow

	Year ended December 31, 2010 \$	Year ended December 31, 2009 \$	Year ended December 31, 2008 \$	Cumulative from March-04 Through December 31, 2010 \$
Operating activities				
Cash flows used in operating activities under Canadian & US GAAP	(13,475,719)	(16,963,300)	(16,537,329)	(74,598,963)
Investing activities				
Cash flows provided by (used in) investing activities under Canadian GAAP	2,815,075	26,299,819	9,892,468	(23,048,353)
Adjustments made under US GAAP:				
Flow-through cash categorized as restricted cash (b)	—	848,607	(848,607)	—
Cash flows used in investing activities under US GAAP	2,815,075	27,148,426	9,043,861	(23,048,353)
Financing activities				
Cash flows used in operating activities under Canadian & US GAAP	8,239,407	1,393	2,724,686	129,342,634
Ending cash and cash equivalents under US GAAP	28,718,815	32,457,323	24,951,128	28,718,815

(a) Settlement of New Frontiers obligation

The early extinguishment by the Company of its debt obligation to New Frontiers resulted in the Company not having to pay interest that had previously been accrued and recorded as an increase in the cost of the Company's Lost Creek and Lost Soldier properties. Under Canadian GAAP, the interest adjustment was recorded as a reduction in the carrying value of the mineral properties. Under US GAAP, the accrued but unpaid interest was recorded as a gain and included in income. Consequently, the carrying value of the properties under US GAAP is higher than that recorded under Canadian GAAP.

(b) Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. Under Canadian GAAP, the Company has recorded the full amount of the proceeds received on issuance as capital stock. Upon renouncing the income tax deductions, capital stock is reduced by the amount of the future income tax benefits recognized.

For US GAAP, the proceeds on issuance of the flow-through shares are allocated between the offering of the shares and the sale of the tax benefit when the shares are issued. The premium paid by the investor in excess of the fair value of non flow-through shares is recognized as a liability at the time the shares are issued and the fair value of non flow-through shares is recorded as capital stock. Upon renouncing the income tax deductions, the premium liability is re-characterized as deferred income taxes and the difference between the full deferred income tax liability related to the renounced tax deductions and the premium previously recognized is recorded as an income tax expense or benefit.

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Audited Consolidated Financial Statements
December 31, 2010

(expressed in Canadian dollars)

Also, notwithstanding whether there is a specific requirement to segregate the funds, the flow-through funds which were unexpended at the consolidated balance sheet dates are considered to be restricted and are not considered to be cash and cash equivalents under US GAAP. As at December 31, 2010 and 2009, there were no unexpended flow-through cash funds.

(c) Deferred tax adjustment

Under Canadian GAAP, the Company reported a difference in accounting and Canadian tax basis related to an asset acquired in 2004 and therefore a deferred tax liability was recognized under Canadian GAAP. Under U.S. GAAP, there was no difference between the book and tax basis so there is was no corresponding deferred tax liability. The carrying value of the asset under Canadian GAAP was subsequently written off, so there is no longer any difference between Canadian and US GAAP for this item.

CERTIFICATION

I, W. William Boberg, certify that:

1. I have reviewed this annual report on Form 40-F of Ur-Energy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 18, 2011

/s/ W. William Boberg
W. William Boberg
President and Chief Executive Officer

CERTIFICATION

I, Roger L. Smith, certify that:

1. I have reviewed this annual report on Form 40-F of Ur-Energy Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 18, 2011

/s/ Roger L. Smith

Roger L. Smith
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ur-Energy Inc. (the "Company") on Form 40-F for the fiscal year ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. William Boberg, the President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 18, 2011

/s/ W. William Boberg
W. William Boberg,
President and Chief Executive Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Ur-Energy Inc. (the "Company") on Form 40-F for the fiscal year ended December 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger L. Smith, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 18, 2011

/s/ Roger L. Smith

Roger L. Smith
Chief Financial Officer

Consent of Independent Auditors

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-153098, 333-168589, and 333-168590) of Ur-Energy Inc. of our report dated March 17, 2011 relating to the consolidated financial statements of the Company included in this Annual Report on Form 40-F for the year ended December 31, 2010.

We hereby consent to the inclusion in Ur-Energy Inc.'s Annual Report on Form 40-F for the year ended December 31, 2010 of our audit report dated March 17, 2011 relating to the consolidated balance sheets as at December 31, 2010 and 2009, consolidated statements of operations, comprehensive loss and deficit and cash flows for the three years ended December 31, 2010, 2009 and 2008 and the cumulative period from March 22, 2004 to December 31, 2010 of Ur-Energy Inc.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, Canada

March 17, 2011

CONSENT OF AUTHOR

TO: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
United States Securities and Exchange Commission

AND TO: Toronto Stock Exchange
NYSE Amex, LLC

RE: Ur-Energy Inc. ("Ur-Energy") - Consent under National Instrument 43-101

Reference is made to the technical report titled "*Preliminary Assessment Lost Creek Property Sweetwater County Wyoming*" (March 16, 2011) (the "Technical Report") which the undersigned has prepared for Ur-Energy.

I have reviewed and approved the summaries of and extracts from the Technical Report prepared to be filed with the Annual Report on Form 40-F (Annual Information Form) of Ur-Energy (fiscal year ended December 31, 2010) and confirm that such summaries and extracts fairly and accurately represent the information in the Technical Report.

I hereby consent to the written disclosure of my name, and reference to and incorporation by reference of, the Technical Report in the public filing of the Annual Report on Form 40-F (Annual Information Form) of Ur-Energy with the regulatory authorities referred to above. I further consent to the incorporation by reference of the Technical Report into Registration Statement No. 333-153098 on Form S-8.

I certify that I have reviewed the Annual Report on Form 40-F (Annual Information Form) being filed and I do not have any reason to believe that there are any misrepresentations in the information contained therein that are derived from the Technical Report or that are within my knowledge as a result of the services performed by me in connection with the Technical Report.

Dated: March 17, 2011

Signed and Sealed

/s/ Douglass H. Graves, P.E.
Douglass H. Graves, P.E., President
TREC, Inc

CONSENT OF AUTHOR

TO: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
United States Securities and Exchange Commission

AND TO: Toronto Stock Exchange
NYSE Amex, LLC

RE: Ur-Energy Inc. ("Ur-Energy") - Consent under National Instrument 43-101

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Dated: March 17, 2011

Signed and Sealed

/s/ Matthew J. Yovich, P.E.
Matthew J. Yovich, P.E., Vice President
TREC, Inc.

CONSENT OF AUTHOR

TO: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
United States Securities and Exchange Commission

AND TO: Toronto Stock Exchange
NYSE Amex, LLC

RE: Ur-Energy Inc. ("Ur-Energy") - Consent under National Instrument 43-101

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I certify that I have reviewed the Annual Report on Form 40-F (Annual Information Form) being filed and I do not have any reason to believe that there are any misrepresentations in the information contained therein that are derived from the Technical Report or that are within my knowledge as a result of the services performed by me in connection with the Technical Report.

Dated: March 17, 2011

Signed and Sealed

/s/ Robert D. Maxwell, CPG
Robert D. Maxwell, CPG, Senior Associate
Behre Dolbear & Company (USA), Inc.

CONSENT OF AUTHOR

TO: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
United States Securities and Exchange Commission

AND TO: Toronto Stock Exchange
NYSE Amex, LLC

RE: Ur-Energy Inc. ("Ur-Energy") - Consent under National Instrument 43-101

Reference is made to the technical report titled "*Technical Report on the Lost Soldier Project, Wyoming*" (July 10, 2006) (the "Technical Report") which the undersigned has prepared for Ur-Energy.

I have reviewed and approved the summaries of and extracts from the Technical Report prepared to be filed with the Annual Report on Form 40-F (Annual Information Form) of Ur-Energy (fiscal year ended December 31, 2010) and confirm that such summaries and extracts fairly and accurately represent the information in the Technical Report.

I hereby consent to the written disclosure of my name, and reference to and incorporation by reference of, the Technical Report in the public filing of the Annual Report on Form 40-F (Annual Information Form) of Ur-Energy with the regulatory authorities referred to above. I further consent to the incorporation by reference of the Technical Report into Registration Statement No. 333-153098 on Form S-8.

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Dated: March 17, 2011

/s/ C. Stewart Wallis, P.Geo.

C. Stewart Wallis, P.Geo.
