
**UNITED STATES
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: _____

Commission File Number _____

UR-ENERGY INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English (if applicable))

Canada

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial Classification Code Number (if applicable))

N/A

(I.R.S. Employer Identification Number (if applicable))

10758 W. Centennial Road, Suite 200

Littleton, Colorado 80127

(720) 981-4588

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

Thomas M. Rose

Troutman Sanders LLP

222 Central Park Avenue, Suite 2000

Virginia Beach, Virginia 23462

(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

Name of each exchange on which registered

Common Shares, without par value

American Stock Exchange

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

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: N/A

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 [] NO [X]

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 [X]



FORWARD-LOOKING STATEMENTS

The Exhibits incorporated by reference into this Registration Statement contain forward-looking statements concerning anticipated developments in the operations of Ur-Energy Inc. (the “Registrant”) in future periods, planned exploration activities, the adequacy of the Registrant’s financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as “expects,” “anticipates,” “believes,” “intends,” “estimates,” “potential,” “possible” or the negative or other similar expressions, or statements that events, conditions or results “will,” “may,” “could” or “should” occur or be achieved. Information concerning the interpretation of drill results and mineral resource estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Registrant or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in (i) the Annual Information Form of the Registrant filed as Exhibit 3 to this Registration Statement, (ii) the final short form prospectus filed as Exhibit 75 to this Registration Statement, and (iii) the Supplemental Risk Factors filed as Exhibit 1 to this Registration Statement.

The Registrant’s forward-looking statements contained in the Exhibits incorporated by reference into this Registration Statement are made as of the respective dates set forth in such Exhibits. Such forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In preparing this Registration Statement, the Registrant has not updated such forward-looking statements to reflect any change in circumstances or in management’s beliefs, expectations or opinions that may have occurred prior to the date hereof, nor does the Registrant assume any obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant prepares its financial statements, which are filed with this report on Form 40-F in accordance with Canadian generally accepted accounting practices (“GAAP”), and they may be subject to Canadian auditing and auditor independence standards. Such financial statements may not be comparable to financial statements prepared in accordance with United States GAAP. Significant differences between Canadian GAAP and United States GAAP pertaining to the Registrant are described in Note 15 to the Audited Annual Consolidated Financial Statements for the years ended December 31, 2006 and 2005, which are filed as Exhibit 10 to this Registration Statement.

RESOURCE AND RESERVE ESTIMATES

The terms “Mineral Reserve”, “Proven Mineral Reserve” and “Probable Mineral Reserve” are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), which references the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) CIM Standards on Mineral Resources and Mineral Reserves, adopted by the CIM council, as may be amended from time to time by the CIM. These definitions differ from the definitions in the United States Securities and Exchange Commission (the “Commission”) Industry Guide 7 (“Industry Guide 7”) under the United States Securities Act of 1933, as amended. Under Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves, the three-year historical average price is used in any reserve, or cash flow analysis to designate reserves, and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the Commission. 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 and legal 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.

Accordingly, information contained in this report and the documents incorporated by reference herein containing descriptions of our mineral deposits is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

DOCUMENTS FILED PURSUANT TO GENERAL INSTRUCTIONS

In accordance with General Instruction B.(1) of Form 40-F, the Registrant hereby incorporates by reference Exhibits 1 through 90 as set forth in the Exhibit Index attached hereto.

In accordance with General Instruction C.(2) of Form 40-F, the Registrant hereby incorporates by reference: (i) Exhibit 10, the Audited Annual Consolidated Financial Statements of the Registrant for the years ended December 31, 2006 and 2005, including a reconciliation to United States GAAP as required by Item 17 of Form 20-F, (ii) Exhibit 4, Management's Discussion and Analysis for the year ended December 31, 2006, all as set forth in the Exhibit Index attached hereto.

In accordance with General Instruction D.(9) of Form 40-F, the Registrant has filed written consents of certain experts named in the foregoing Exhibits as Exhibits 88 through 90, inclusive, as set forth in the Exhibit Index attached hereto.

OFF BALANCE SHEET ARRANGEMENTS

The Registrant has no off-balance sheet arrangements.

DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists, as of September 30, 2007, information with respect to the Registrant's known contractual obligations:

Contractual Obligations	Payments Due by Period (All amounts in US dollars)				
	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
Office operating leases ⁽¹⁾	\$614,300	\$215,000	\$224,400	\$174,900	\$Nil

- (1) The Registrant is committed to an operating lease for office premises in Littleton, Colorado. This operating lease has a term extending to January 2009. The Registrant has entered into an operating lease for office premises in Casper, Wyoming. This operating lease has a five year term extending to September 2012.

UNDERTAKINGS

The Registrant 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 to transactions in said securities.

CONSENT TO SERVICE OF PROCESS

Concurrently with the filing of the Registration Statement on Form 40-F, the Registrant will file with the Commission a written Irrevocable Consent and Power of Attorney on Form F-X.

Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referring the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the United States Securities Exchange Act of 1934, as amended, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this registration statement to be signed on its behalf by the undersigned, thereto duly authorized.

UR-ENERGY INC.

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

Date: December 28, 2007

EXHIBIT INDEX

The following exhibits have been filed as part of the Registration Statement.

<u>Exhibit</u>	<u>Description</u>
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<u>1</u>	<u>Supplemental Risk Factors</u>
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<u>2</u>	<u>Form F-X</u>
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Annual Information

<u>3</u>	<u>Annual Information Form for the Year Ended December 31, 2006</u>
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<u>4</u>	<u>Management Discussion and Analysis for the Year Ended December 31, 2006</u>
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<u>5</u>	<u>Form 52-109F1 – Certification of Annual Filings – CFO</u>
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<u>6</u>	<u>Form 52-109F1 – Certification of Annual Filings – CEO</u>
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<u>7</u>	<u>Consent of author C. Stewart Wallis, P. Geo., of Scott Wilson Roscoe Postle Associates Inc. (NI 43-101) dated March 29, 2007</u>
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<u>8</u>	<u>Consent of author John D. Charlton, P. Geo. (NI 43-101) dated March 29, 2007</u>
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<u>9</u>	<u>ON Form 13-502F1– Annual Participation Fee for Reporting Issuers for the Year Ended December 31, 2006</u>
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<u>10</u>	<u>Audited Annual Consolidated Financial Statements for the Years Ended December 31, 2006 and 2005, including a United States GAAP reconciliation</u>
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Quarterly Information

<u>11</u>	<u>Management Discussion and Analysis for the Three-Month Period Ended March 31, 2007</u>
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<u>12</u>	<u>Unaudited Interim Consolidated Financial Statements for the Three-Month Period Ended March 31, 2007</u>
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<u>13</u>	<u>Form 52-109F2 – Certification of Interim Filings – CFO</u>
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<u>14</u>	<u>Form 52-109F2 – Certification of Interim Filings – CEO</u>
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<u>15</u>	<u>Management Discussion and Analysis for the Three-Month Period Ended June 30, 2007</u>
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<u>16</u>	<u>Unaudited Interim Consolidated Financial Statements for the Three-Month Period Ended June 30, 2007</u>
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<u>17</u>	<u>Form 52-109F2 – Certification of Interim Filings – CFO</u>
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<u>18</u>	<u>Form 52-109F2 – Certification of Interim Filings – CEO</u>
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[Management Discussion and Analysis for the Three-Month Period Ended September 30, 2007](#)

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[Unaudited Interim Consolidated Financial Statements for the Three-Month Period Ended September 30, 2007](#)

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[Form 52-109F2 – Certification of Interim Filings – CFO](#)

22

[Form 52-109F2 – Certification of Interim Filings – CEO](#)

Alternative Monthly Reports

23

[Alternative Monthly Report dated May 4, 2007](#)

24 [Alternative Monthly Report dated June 7, 2007](#)

Shareholder Meeting Materials

25 [Confirmation of Notice of Meeting and Record Date dated March 9, 2007](#)

26 [Notice of Meeting dated April 12, 2007](#)

27 [Management Proxy Circular dated April 12, 2007](#)

28 [Form of proxy for the annual shareholder meeting on May 18, 2007](#)

29 [Notice of mailing dated May 1, 2007](#)

30 [Report of proxy voting at the annual shareholder meeting on May 18, 2007](#)

Material Change Reports

31 [Material Change Report dated April 23, 2007](#)

32 [Material Change Report dated May 14, 2007](#)

33 [Material Change Report dated May 29, 2007](#)

34 [Material Change Report dated July 27, 2007](#)

News Releases

35 [Press Release dated January 4, 2007](#)

36 [Press Release dated January 11, 2007](#)

37 [Press Release dated January 15, 2007](#)

38 [Press Release dated January 16, 2007](#)

39 [Press Release dated February 23, 2007](#)

40 [Press Release dated February 26, 2007](#)

41 [Press Release dated February 28, 2007](#)

42 [Press Release dated April 11, 2007](#)

43 [Press Release dated April 17, 2007](#)

44 [Press Release dated April 17, 2007](#)

45 [Press Release dated April 23, 2007](#)

46 [Press Release dated May 1, 2007](#)

47 [Press Release dated May 9, 2007](#)

48 [Press Release dated May 10, 2007](#)

49 [Press Release dated May 10, 2007](#)

50 [Press Release dated May 22, 2007](#)

51 [Press Release dated June 4, 2007](#)

52 [Press Release dated June 7, 2007](#)

53 [Press Release dated June 11, 2007](#)

54 [Press Release dated June 18, 2007](#)

55 [Press Release dated June 25, 2007](#)

56 [Press Release dated June 26, 2007](#)

57 [Press Release dated July 11, 2007](#)

58 [Press Release dated July 24, 2007](#)

59 [Press Release dated July 24, 2007](#)

60 [Press Release dated July 26, 2007](#)

61 [Press Release dated August 2, 2007](#)

62 [Press Release dated August 23, 2007](#)

63 [Press Release dated August 29, 2007](#)

64 [Press Release dated September 19, 2007](#)

65 [Press Release dated September 24, 2007](#)

66 [Press Release dated October 25, 2007](#)

67 [Press Release dated October 31, 2007](#)

68 [Press Release dated November 8, 2007](#)

69 [Press Release dated November 9, 2007](#)

70 [Press Release dated December 20, 2007](#)

Prospectuses

71 [Preliminary short form prospectus dated April 23, 2007](#)

72 [Consent of W. William Boberg \(NI 43-101\) dated April 23, 2007](#)

73 [Consent of author John D. Charlton, P. Geo. \(NI 43-101\), dated April 23, 2007](#)

74 [Consent of author C. Stewart Wallis, P. Geo., of Scott Wilson Roscoe Postle Associates Inc. \(NI 43-101\) dated April 23, 2007](#)

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[MRRS Decision Document \(Preliminary\)](#)

[76](#) [Final short form prospectus dated May 1, 2007](#)

[77](#) [Consent of author C. Stewart Wallis, P. Geo., of Scott Wilson Roscoe Postle Associates Inc. \(NI 43-101\) dated May 1, 2007](#)

[78](#) [Consent of author John D. Charlton, P. Geo. \(NI 43-101\), dated May 1, 2007](#)

[79](#) [Consent of W. William Boberg \(NI 43-101\) dated May 1, 2007](#)

[80](#) [Consent of Cassels Brock & Blackwell LLP dated May 1, 2007](#)

[81](#) [Consent of McCarthy Tétrault LLP dated May 1, 2007](#)

[82](#) [Consent of PricewaterhouseCoopers LLP dated May 1, 2007](#)

[83](#) [MRRS Decision Document \(Final\)](#)

Material Agreements

[84](#) [Employment Agreement between Ur-Energy USA, Inc. and W. William Boberg dated January 1, 2007](#)

[85](#) [Employment Agreement between Ur-Energy USA, Inc. and Harold A. Backer dated January 1, 2007](#)

[86](#) [Employment Agreement between Ur-Energy USA, Inc. and Jeffrey Klenda dated January 1, 2007](#)

[87](#) [Employment Agreement between Ur-Energy USA, Inc. and Wayne W. Heili dated February 19, 2007](#)

Consents

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[Consent of author C. Stewart Wallis, P. Geo., of Scott Wilson Roscoe Postle Associates Inc.](#)

89

[Consent of author John D. Charlton, P. Geo.](#)

90

[Consent of PricewaterhouseCoopers LLP](#)

SUPPLEMENTAL RISK FACTORS

If Ur-Energy Inc. (the “Registrant”) is characterized as a passive foreign investment company, its shareholders may be subject to adverse U.S. federal income tax consequences.

A non-U.S. corporation generally will be considered 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 any taxable year if either (1) at least 75% of its gross income is passive income or (2) at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income. If the Registrant were treated as a PFIC for any taxable year in which a U.S. holder held the Registrant’s shares, certain adverse consequences could apply, including a material increase in the amount of tax that the U.S. holder would owe, an imposition of tax earlier than would otherwise be imposed, interest charges and additional tax form filing requirements. As described below, the adverse tax consequences may be diminished if the U.S. holder of the shares of PFIC makes an election with respect to marketable PFIC shares to mark such shares to market each year taking the gain into account as ordinary income (a “mark-to-market” election), or makes a timely qualified electing fund (a “QEF” election), pursuant to which such shareholder must report on a current basis his or her shares of the PFIC’s ordinary earnings and net capital gain for any taxable year in which the Registrant is a PFIC, whether or not the PFIC distributes those earnings.

Mark-to-Market Election. In general, U.S. holders who hold, actually or constructively, marketable stock (as specifically defined in the rules and regulations promulgated under the Code) of a PFIC may annually elect to mark such stock to the market. If this election is made, the U.S. holder is taxed annually on the increase in value of the PFIC shares. This election generally is available only to U.S. investors in foreign companies that are regularly traded on a U.S. stock exchange (or on certain approved non-U.S. stock exchanges)

QEF Election. In general, a U.S. holder who makes a timely QEF election with respect to a PFIC’s shares (generally, in the first taxable year in which the U.S. holder holds a PFIC’s shares) will be subject to current U.S. federal income tax on a current basis on a *pro-rata* share of the ordinary income and long-term net capital gain realized by the PFIC. Generally, shareholders do not make a QEF election unless they have sufficient information to determine their proportionate shares of a corporation’s net capital gain and ordinary earnings. We have not calculated these amounts for any shareholder and do not anticipate making these calculations in the foreseeable future.

The determination of whether a corporation is a PFIC involves the application of complex tax rules. The Registrant has not made a conclusive determination as to whether it has been in prior tax years or is currently a PFIC. The Registrant could have qualified as a PFIC for past tax years and may qualify as a PFIC currently or in future tax years. However, no assurance can be given as to such status for prior tax years and for the current tax year. U.S. holders of Registrant’s shares are urged to consult their own tax advisors regarding the application of U.S. federal income tax rules.

The PFIC rules are very complicated, and you should consult your own financial advisor, legal counsel or accountant regarding the PFIC rules, including the advisability of and procedure for making a QEF election or a mark-to-market election, and how these rules may impact your U.S. federal income tax situation.

The Registrant may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses to the Registrant.

The Registrant is a “foreign private issuer,” as such term is defined in Rule 405 under the U.S. Securities Act of 1933, as amended, and, therefore, it is not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, and related rules and regulations. In order for the Registrant 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 Registrant 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 Registrant 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 U.S. Securities and Exchange Commission (the “Commission”), which are more detailed and extensive than the forms available to a foreign private issuer. The Registrant may also be required to prepare its financial statements in accordance with U.S. generally accepted accounting principles. In addition, the Registrant 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 Registrant 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 Registrant to file resale registration statements with the Commission as a condition to any such financing.

As a Canadian company, it may be difficult to enforce civil liabilities against the Registrant or against certain of the Registrant’s directors and officers.

The Registrant is incorporated under the federal laws of Canada. Some of its directors and officers are citizens or residents of countries other than the United States and certain of its assets and the assets of such persons are located outside of the United States. Consequently, it may be difficult for you to effect service of process within the United States upon the Registrant or its directors and officers or to realize in the United States upon judgments against such persons granted by courts of the United States based upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. There is doubt as to the enforceability against the Registrant and against its non-U.S. resident directors and officers, in original actions in Canadian courts, of liabilities based upon the U.S. federal securities laws and as to the enforceability against the Registrant and against its non-U.S. resident directors and officers in Canadian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of the U.S. federal securities laws. As a result, it may not be possible to enforce those actions against the Registrant or against certain of its directors and officers.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM F-X

**APPOINTMENT OF AGENT FOR SERVICE OF PROCESS
AND UNDERTAKING**

A. Name of issuer or person filing ("Filer"): Ur-Energy Inc.

B. (1) This is

an original filing for the Filer.

an amended filing for the Filer.

(2) Check the following box if you are filing the Form F-X in paper in accordance with Regulation S-T Rule 101(b)(9).

(3) A filer may also file the Form F-X in paper under a hardship exemption provided by Regulation S-T Rule 201 or 202. When submitting a Form F-X in paper under a hardship exemption, a filer must provide the legend required by Regulation S-T Rule 201(a)(2) or 202(c) on the cover page of the Form F-X.

C. Identify the filing in conjunction with which this Form is being filed:

Name of registrant: Ur-Energy Inc.

Form type: Form 40-F

File number: Unknown

Filed by: Ur-Energy Inc.

Date filed: Filed concurrently herewith

D. The Filer is incorporated or organized under the laws of Canada and has its principal place of business at 10758 W. Centennial Road, Suite 200, Littleton, CO 80127, telephone number (720) 981-4588.

E. The Filer designates and appoints Thomas M. Rose, Esq. located at Troutman Sanders LLP, 222 Central Park Avenue, Suite 2000, Virginia Beach, Virginia 23462, telephone number (757) 687-7715, as the agent of the Filer upon whom may be served any process, pleadings, subpoenas, or other papers in

(a) any investigation or administrative proceeding conducted by the Commission; and

(b) any civil suit or action brought against the Filer or to which the Filer has been joined as defendant or respondent, in any appropriate court in any place subject to the jurisdiction of any state or of the United States or of any of its territories or

possessions or of the District of Columbia, where the investigation, proceeding or cause of action arises out of or relates to or concerns (i) any offering made or purported to be made in connection with the securities registered or qualified by the Filer on Form 40-F filed January 7, 2008 or any purchases or sales of any security in connection therewith; (ii) the securities in relation to which the obligation to file an annual report on Form 40-F arises, or any purchases or sales of such securities; (iii) any tender offer for the securities of a Canadian issuer with respect to which filings are made by the Filer with the Commission on Schedule 13E-4F, 14D-1F or 14D-9F; or (iv) the securities in relation

to which the Filer acts as trustee pursuant to an exemption under Rule 10a-5 under the Trust Indenture Act of 1939. The Filer stipulates and agrees that any such civil suit or action or administrative proceeding may be commenced by the service of process upon, and that service of an administrative subpoena shall be effected by service upon such agent for service of process, and that service as aforesaid shall be taken and held in all courts and administrative tribunals to be valid and binding as if personal service thereof had been made.

F.

Each person filing this Form in connection with:

- (a) the use of Form F-9, F-10, 40-F, or SB-2 or Schedule 13E-4F, 14D-1F or 14D-9F stipulates and agrees to appoint a successor agent for service of process and file an amended Form F-X if the Filer discharges the Agent or the Agent is unwilling or unable to accept service on behalf of the Filer at any time until six years have elapsed from the date the issuer of the securities to which such Forms and Schedules relate has ceased reporting under the Exchange Act;
- (b) the use of Form F-8, Form F-80 or Form CB stipulates and agrees to appoint a successor agent for service of process and file an amended Form F-X if the Filer discharges the Agent or the Agent is unwilling or unable to accept service on behalf of the Filer at any time until six years have elapsed following the effective date of the latest amendment to such Form F-8, Form F-80 or Form CB;
- (c) its status as trustee with respect to securities registered on Form F-7, F-8, F-9, F-10, F-80, or SB-2 stipulates and agrees to appoint a successor agent for service of process and file an amended Form F-X if the Filer discharges the Agent or the Agent is unwilling or unable to accept service on behalf of the Filer at any time during which any of the securities subject to the indenture remain outstanding; and
- (d) the use of Form 1-A or other Commission form for an offering pursuant to Regulation A stipulates and agrees to appoint a successor agent for service of process and file an amended Form F-X if the Filer discharges the Agent or the Agent is unwilling or unable to accept service on behalf of the Filer at any time until six years have elapsed from the date of the last sale of securities in reliance upon the Regulation A exemption.

Each filer further undertakes to advise the Commission promptly of any change to the Agent's name and address during the applicable period by amendment of this Form, referencing the file number of the relevant form in conjunction with which the amendment is being filed.

G.

Each person filing this Form, other than a trustee filing in accordance with General Instruction I.(a) of this Form, 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 Forms, Schedules and offering statements described in General Instructions I.(a), I.(b), I.(c), I.(d) and I.(f) of this Form, as applicable; the securities to which such Forms, Schedules and offering statements relate; and the transactions in such securities.

The Filer certifies that it has duly caused this power of attorney, consent, stipulation and agreement to be signed on its behalf by the undersigned, thereunto duly authorized, in Littleton, Colorado this 28th day of December, 2007.

UR-ENERGY INC.

By: /s/ W. William Boberg

Name: W. William Boberg

Title: President and Chief Executive Officer

This statement has been signed by the following persons in the capacities and on the dates indicated.

By: /s/ Thomas M. Rose

Name: Thomas M. Rose, Esq.

Date: December 28, 2007



UR-ENERGY INC.

2006 ANNUAL INFORMATION FORM

March 21, 2007

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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 “Company”) is as of March 21, 2007.

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 annual information form to “dollars” or “\$” are to Canadian dollars, unless otherwise indicated.

Forward-Looking Information

This AIF, including any documents incorporated by reference herein, contains certain “forward-looking statements”. All statements included in this AIF (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: future targets and estimates for production, 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, and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “contemplate”, “target”, “believe”, “plan”, “estimate”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could” or “might” occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management’s expectations is subject to a number of risks and uncertainties, including the considerations discussed under “Risk Factors” and elsewhere in this short form prospectus, in any documents incorporated by reference herein and in other documents filed from time to time by the Company with Canadian securities regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Company’s control. These factors should not be construed as exhaustive and may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. All of the forward-looking statements made in this short form prospectus and any documents incorporated by reference herein are qualified by the foregoing cautionary statements. Such forward-looking statements are made as of the date of this short form prospectus, or in the case of documents incorporated by reference herein, as of the date of such document, and the Company expressly disclaims any obligation to update or revise any such forward-looking statements.

Cautionary Note to U.S. Investors Concerning Resource Estimates

Resource estimates reported herein are made in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 (“NI 43-101”). Estimates of uranium resources were prepared by or under the supervision of qualified persons who are identified in this document and other public filings. Ur-Energy reports its reserves and resources in accordance with NI 43-101, as required by Canadian securities regulatory authorities. For U.S. reporting purposes, Industry Guide 7 under the Securities Exchange Act of 1934 (as interpreted by Staff of the U.S. Securities and Exchange Commission) applies different standards in order to classify mineralization as a reserve. Accordingly, for US reporting purposes all mineral resources must be considered as mineralized material. Mineral resources are not mineral reserves and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measure and indicated mineral resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resources. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be upgraded to mineral resources through continued exploration.

GLOSSARY

“ft.” means foot.

“ha.” means hectares.

“in.” means inch.

“km” means a kilometre.

“m” means a metre.

“U” is the chemical symbol for uranium.

“U₃O₈” means triuranium octoxide or uranium.

METRIC/IMPERIAL CONVERSION TABLE

The imperial equivalents of the metric units of measurement used in this annual information form are as follows:

<u>Metric Unit</u>	<u>Imperial Equivalent</u>
gram	0.03215 troy ounces
hectare	2.4711 acres
kilogram	2.2046223 pounds
kilometre	0.62139 miles
metre	3.2808 feet
tonne	1.1023 short tons

CORPORATE STRUCTURE

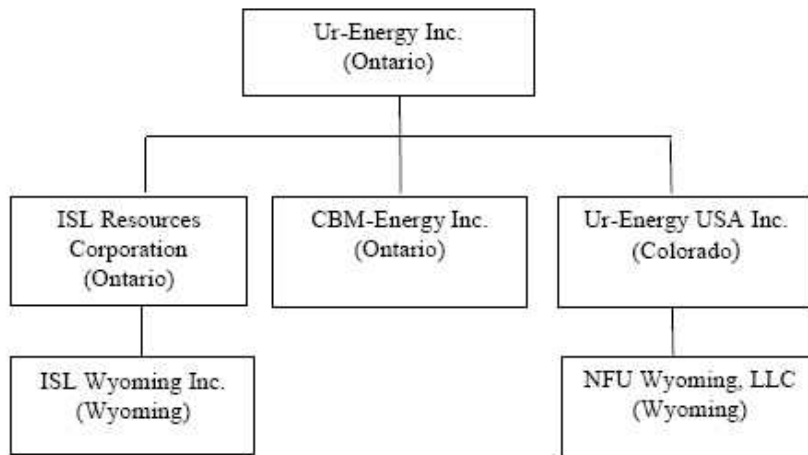
Name, Address and Incorporation

Ur-Energy Inc. (“Ur-Energy” or the “Company”) is a corporation continued under the *Canada Business Corporations Act* on August 8, 2006. The registered office and principal administrative office of the Company is located at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3. The Company’s United States headquarters is at 10758 West Centennial Road, Suite 200, Ken Caryl Ranch (Littleton), Colorado, 80127.

Intercorporate Relationships

The Company has three wholly-owned subsidiaries: Ur-Energy USA Inc. (“Ur-Energy USA”), a company incorporated under the laws of the State of Colorado for the acquisition of properties in the United States; 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, that is a shell company with no assets or liabilities other than those related to its incorporation. Ur-Energy USA has one wholly-owned subsidiary, NFU Wyoming, LLC (“NFU”), a company formed under the laws of the State of Wyoming to facilitate the Company’s acquisition of certain assets from New Frontiers Uranium, LLC. ISL has one wholly-owned subsidiary, ISL Wyoming Inc., a company incorporated under the laws of the State of Wyoming.

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



GENERAL DEVELOPMENT OF THE BUSINESS

History

The Company was incorporated on March 22, 2004. The Company is a junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. The Company's uranium mineral properties are located in Wyoming, USA, South Dakota, USA and in the Northwest Territories and Nunavut, Canada.

The Company commenced operations with a focus on uranium properties in the Northwest Territories and Nunavut, Canada. In the fall of 2004, the Company began to acquire geologic data and properties in Wyoming, USA. The Company financed its projects and operations through a series of private placement financings during the period from September 2004 through March 2005.

The Company acquired all of the issued and outstanding shares of ISL under the terms of an October 19, 2004 acquisition agreement (the "Initial ISL Agreement") between the Company and ISL. ISL is a junior exploration company which had engaged in uranium exploration in Wyoming. The Initial ISL Agreement were amended and restated by agreements finalized on April 19 and 21, 2005 (the "Amending ISL Agreements"). Data owned by ISL's Wyoming subsidiary was the basis of the Company's staking program for the Kaycee and Shamrock projects. Under the terms of the Initial ISL Agreement and the Amending ISL Agreements, the aggregate consideration paid to ISL shareholders for the acquisition of ISL was 4,350,000 common shares of the Company and 500,000 common share purchase warrants of the Company which were exercisable until December 1, 2006.

The acquisition of ISL included an extensive database of over 4,400 drill hole logs, geologic maps, cross sections and reports within the Kaycee area of the Powder River Basin, Wyoming as well as airborne geophysical reports for the Shamrock and Kaycee areas. In addition, the database included over 2,700 drill hole logs, maps, cross sections, reports, feasibility and engineering studies from Conoco's 1969 through 1986 exploration program in the Southwest Powder River Basin area relating to the Allemand-Ross project.

Data owned by ISL and its subsidiary was the basis of the Company's staking program for the Kaycee and Shamrock project. In late 2004, the Company staked 356 unpatented mineral claims at the Shamrock project. In early 2005, the Company staked 278 unpatented mineral claims in the Kaycee area of the Powder River Basin, Wyoming.

Under a Letter of Intent dated February 3, 2005 ("Dalco LOI") entered into by the Company and Dalco Inc. ("Dalco"), the Company had an option to acquire seven unpatented mineral claims and land records for the property located in Township 27 North, Ranges 92 and 93 West, 6th Meridian, Wyoming together with exploration records, drill log files and related data (collectively the "Radon Springs Property"). The Company paid Dalco US\$25,000 on the signing of the Dalco LOI. Pursuant to the Dalco LOI, the Company issued 25,000 common shares to Dalco on June 3, 2005 to acquire a 25% interest in the Radon Springs Property.

After the 25% interest had been earned, the Dalco LOI was superseded by a formal agreement dated July 20, 2005 among the Company, Ur-Energy USA and Dalco. A further 25% interest in the Radon Springs Property was acquired in November 2005 by payment of US \$50,000 and the issuance of 50,000 common shares and on December 3, 2006 by payment of US \$100,000 and the issuance of 100,000 common shares. The final 25% interest (for a total of a 100% interest) is payable on or before December 3, 2007 by the payment of US\$150,000 and the issuance of an additional 150,000 common shares; subject to Dalco retaining a production royalty of 3% of the total gross proceeds received by Ur-Energy USA from U₃O₈ extracted by processing uranium ore from the seven mineral claims comprising the Radon Springs Property. The acquired Radon Spring Property included the historic exploration and development database of more than 2,200 drill hole logs and accompanying geologic maps, cross sections and reports.

In February 2005 within the Great Divide Basin of Wyoming, the Company staked 224 new unpatented mineral claims adjacent to the Radon Springs Property.

The Company, through its wholly-owned subsidiary, Ur-Energy USA, acquired from New Frontiers Uranium, LLC ("New Frontiers"), a Colorado limited liability company, certain of the Wyoming properties comprising the Great Divide Basin and the Shirley Basin projects. Effective June 30, 2005, Ur-Energy USA entered into the Membership Interest Purchase Agreement ("MIPA") with New Frontiers. Under the terms of the MIPA, the Company purchased from New Frontiers all of the issued and outstanding membership interests (the "Membership Interests") in NFU Wyoming, LLC, a Wyoming limited liability company. NFU owned certain of the Wyoming properties comprising the Great Divide Basin and Shirley Basin projects which totaled 99 unpatented mineral claims and mineral leases on three state sections. Assets acquired from New Frontiers included extensively explored and drilled Lost Creek and Lost Soldier projects and development database including over 10,000 electric well logs, over 100 geologic reports and over 1,000 geologic and uranium maps covering large areas of Wyoming, Montana and South Dakota.

Under the MIPA, Ur-Energy USA agreed to purchase and New Frontiers agreed to sell the Membership Interests for an aggregate consideration of US \$20,000,000. The total amount payable on closing was US \$5,000,000. The balance of the acquisition cost was financed by way of a promissory note payable to New Frontiers. The promissory note is payable in annual instalments of principal and interest of US \$5,000,000 on the first, second and third anniversaries of the closing date, June 30, 2005, followed by a final payment consisting of all remaining principal plus interest falling due on the fourth anniversary of the closing date. In June 2006, the Company made the required first anniversary payment. The Company may elect to prepay the amount outstanding prior to the anniversary of the closing date with an adjustment in the interest due and payable. The Company has pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note.

Under the MIPA, the Company through NFU staked 211 new unpatented mineral claims for the Bootheel and Buckpoint projects within the Shirley Basin, Wyoming. Within the Great Divide Basin, Wyoming, the Company has staked 117 new unpatented mineral claims in the North Hadsell project area, 133 new unpatented mineral claims in the Lost Creek project area and 17 new unpatented mineral claims in the Lost Soldier project area.

On August 26, 2005, the Company purchased over 4,000 electric drill hole logs with geologic reports and maps related to the Lost Soldier project area from Power Resources, Inc. The Company paid US \$400,000 with a 1% royalty on future production.

On November 29, 2005, the Company completed its initial public offering and commenced trading on the Toronto Stock Exchange. The initial public offering consisted of 8,000,000 common shares at a price of \$1.25 per common share resulting in gross proceeds to the Company of \$10,000,000. Ur-Energy engaged a syndicate of agents led by Raymond James Ltd., and including Canaccord Capital Corporation and Haywood Securities Inc., in respect of the offering.

On January 12, 2006, the Company announced that Mr. Robin Dow resigned as Chairman, Chief Executive Officer and as a director of the Company. Also Mr. Paul Pitman resigned as President of the Company and was appointed as Vice President, Canadian Exploration. Mr. W. William Boberg was appointed President and Acting Chief Executive Officer and a director of the Company. Mr. Jeffrey Klenda was appointed Chairman of the Board of Directors at that time. On May 29, 2006, the Company announced that Mr. W. William Boberg was confirmed as President and Chief Executive Officer of the Company.

On February 24, 2006, the Company announced that by mutual consent the Company and Patrician Diamonds Inc. ("Patrician") had agreed to terminate the arrangements set forth in letter agreement between the parties

and to unwind the transactions originally contemplated by the letter agreement regarding the Dismal Lake property in Nunavut that is held by Patrician. As a result of the unwinding of the transaction, Patrician refunded to Ur-Energy the \$50,000 payment and returned the 100,000 common shares of the Company and the Company paid Patrician an amount of \$37,448 representing the costs related to staking and geology work on the properties. All amounts were paid during the first quarter of 2006. Upon termination of the agreement, the Company recorded a write-off of deferred exploration costs for the property totaling \$54,250.

On March 17, 2006, Ur-Energy and Energy Metals Corporation signed an agreement to complete a land swap enabling each company to consolidate its respective land positions in specific project areas in Wyoming. The parties determined that the consolidation of the property positions would create greater efficiencies in exploration and future mine planning. The Company traded its Shamrock properties and Chalk Hills properties for Energy Metals Corporation's properties in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals' 28 unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company's 356 unpatented "F" mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with 2 unpatented "Rita" mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a ½% royalty on future production of uranium from the properties.

On June 16, 2006, the Company entered into a data purchase agreement related to the Bootheel project area. The Company paid US\$90,000 related to the acquisition of this data. The data acquired relates to historic drill hole geophysical logs, lithologic logs, drill hole maps and geologic cross sections. Under the terms of the agreement, the Company will provide the seller with a 1% royalty on future uranium and associated minerals produced from the property.

On March 24, 2006, Mr. Robert Boaz was appointed as a director of the Company.

In early June 2006, the Company announced results of two Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") compliant resource estimations that disclose significantly increased resources on its Lost Creek and Lost Soldier properties from the relevant historic resources. In connection with these results, on July 26, 2006, the Company announced that it had filed updated technical reports prepared by C. Stewart Wallis, P. Geo., of Roscoe Postle Associates Inc. in accordance with NI 43-101 in respect of both its Lost Soldier and Lost Creek properties in the Great Divide Basin in Wyoming.

In June 2006, the Company also announced that the results of leach amenability studies on uranium core samples from the Lost Creek and Lost Soldier properties. These tests were performed by Energy Laboratories Inc. of Casper, Wyoming and will assist the Company in determining the possible *in-situ* leachability of the uranium bearing sandstone and the potential rate of recovery.

On June 19, 2006, the Company completed an acquisition of four claim groups in the Great Divide Basin of Wyoming, consisting of a total of 130 unpatented mining claims (approximately 2,700 acres) from John Wells of Wyoming. The Toby property contains an historic resource, not NI 43-101 compliant, of one million pounds of U₃O₈ and the other properties have potential for future development. Consideration provided was comprised of 250,000 common shares of the Company. Subsequently, on September 29, 2006, the Company acquired 82 additional unpatented mining claims from John Wells relating to these claim groups. Consideration for this acquisition was US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and from a one-mile area of interest surrounding the properties. These new projects have been designated: (i) the Toby project comprised of 21 claims, located east of the Kennecott Sweetwater mill and originally drilled by the Union Oil subsidiary Minerals Exploration Company; (ii) the Arrow project comprised of 9 claims in the western Great Divide Basin; (iii) the UFO project comprised of 10 claims located south of the Company's

Lost Creek project; and (iv) the Eagles Nest project comprised of 172 claims (initial 90 plus subsequent 82 claims) located east of the Company's Lost Creek project. In total these four claim blocks comprise approximately 4,400 acres. All four claim blocks are in areas of previous exploration drill programs for uranium conducted during the 1970s and early 1980s.

In July 2006, 36 new mineral claims were purchased by the Company to add to the Bootheel project in the Shirley Basin, Wyoming.

On July 10, 2006, the Company announced that it had made progress in its comprehensive program to advance engineering, permitting and mine feasibility at its Lost Creek and Lost Soldier properties. The Company also announced that the Wyoming Department of Environmental Quality approved permits for monitor well locations that will be used for data collection from both deposits. The Wyoming State Engineer's office has approved permits for the installation of the wells for pump testing and water quality testing. Two drilling rigs commenced drilling and the installation of the wells at the Lost Soldier property. Collection of engineering and hydrologic baseline data from the wells has also commenced on both projects and will form part of the Company's applications for permit to mine.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. The Mountain Lake property comprises 41 claims and the West Dismal property comprises 17 claims. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and was required to spend \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option, and obtain a 100% interest, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

On August 2, 2006, the Company announced the closing of a non-brokered private placement of flow-through common shares. The financing comprised a total of 182,000 flow-through common shares at a price of \$2.75 per share. Total gross proceeds to Ur-Energy were \$500,500.

On August 30, 2006, the Company announced it had completed a common share bought deal. A syndicate of underwriters purchased, on a bought deal basis, 7,500,000 common shares of Ur-Energy, at a price of \$2.20 per share, for gross proceeds of \$16,500,000, and also exercised in full an over-allotment option to purchase an additional 1,022,727 common shares at the same price for additional proceeds of approximately \$2,250,000. Total gross proceeds to Ur-Energy were \$18,750,000.

On September 8, 2006 a Docket Number and a Technical Assignment Control Number were issued by the U.S. Nuclear Regulatory Commission for licensing actions for the Lost Creek and Lost Soldier projects.

On September 13, 2006, 15 additional lode claims were staked adjacent to the Lost Creek project for a total of 199 unpatented mineral claims.

On September 19, 2006, the Company announced the signing of an option agreement to acquire a uranium property located in Nunavut, Canada. The property covers an area of 10,870 hectares and encompasses several high-grade uranium occurrences. Known as the Bugs Property, it is situated in the Kivalliq region of Nunavut and was explored by Cominco Ltd. from 1976 to 1980. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

During October 2006, the Company acquired 79 State of South Dakota Mineral Leases containing approximately 46,363 acres in Harding County, northwest South Dakota for cash consideration of \$158,431. A detailed geologic evaluation of the project area has commenced. Historic exploration drilling for uranium in this region has been very limited. A drilling program is tentatively planned for later 2007.

On December 14, 2006, the Company announced the closing of a flow-through common share private placement financing. The private placement comprised 500,000 common shares of the Company issued on a flow-through basis at a price of \$5.00 per share for aggregate gross proceeds of \$2,500,000. GMP Securities L.P. acted as agent in connection with the private placement.

On January 3, 2007, Gary Huber was appointed as a director of the Company.

On February 19, 2007, the Company appointed Wayne Heili as Vice President, Engineering. Mr. Heili will head up the Casper, Wyoming production office and engineering team. Mr. Heili will be responsible for directing the completion of the mining feasibility studies and the development of the Lost Creek and Lost Soldier projects.

BUSINESS OF UR-ENERGY

The Company is a junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Ur-Energy is aggressively completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production which is expected to start in early 2009. The Company is also engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, and development of uranium projects in the United States. The Company's operations comprise one reportable segment within two geographic areas.

In the United States, the Company has staked claims and/or leased lands in Wyoming and in South Dakota. In Wyoming, the Company controls eleven properties. Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin.

In 2007, exploration programs are planned for the Radon Springs, Eagles Nest and North Hadsell projects in the Great Divide Basin, Wyoming.

In South Dakota, the Company's subsidiary NFU Wyoming, LLC was the successful bidder on 79 State of South Dakota Mineral Leases. These 79 Mineral Leases contain approximately 46,363 acres in Harding County, Northwest South Dakota. A detailed geologic evaluation of the project area is underway and a drilling program is tentatively planned for later 2007. Exploration drilling for uranium in this region has been very limited. An evaluation of Ur-Energy's extensive historic database suggests potential for uranium discoveries in the region.

In Canada, the Company has staked claims in the Thelon Basin in the Northwest Territories and in the Hornby Basin in Nunavut. The Thelon Properties are comprised of three claim groups including the Screech Lake project. The Hornby Basin Properties are comprised of two claim groups: Mountain Lake and Dismal West. The Bugs Property is located in the Kivalliq region in Nunavut.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation with respect to its Mountain Lake and West Dismal properties. At Mountain Lake, Ur-Energy holds 41 claims covering about 38,545 hectares (95,242 acres) that adjoin 8 claims held by Triex. The Triex ground hosts the Mountain Lake Deposit, the largest uranium deposit found to date in the Hornby Bay Basin. Near the west end

of Dismal Lakes, Ur-Energy's Property comprises two groups of 17 mineral claims totaling approximately 13,920 hectares (34,400 acres). The claim groups cover part of an historic field of uranium mineralized boulders located 40 kilometres northwest of the Mountain Lake deposit.

The Company is actively pursuing future growth opportunities by evaluating the acquisition of exploration, development or production assets. The Company is currently engaged in discussions with respect to such possible opportunities. At any given time, discussions and activities can be in process on a number of initiatives, each at different stages of development. The Company currently does not have any binding agreements or binding commitments to enter into any such transaction. There is no assurance that any potential transaction will be successfully completed.

Other than as discussed in this AIF, the business of the Company and details of its mineral properties are disclosed in the Company's public disclosure record and material explicitly incorporated by reference into this AIF. The Company commissioned Stewart Wallis (P. Geo) of Scott Wilson Roscoe Postle Associates Inc. (formerly, Roscoe Postle Associates Inc.) ("RPA") to prepare technical reports which comply with the requirements imposed by National Instrument 43-101: "Standards of Disclosure for Mineral Projects", for the Great Divide Basin project updated by additional technical reports on the Lost Soldier and Lost Creek projects, the Shirley Basin project, and the Kaycee and Shamrock projects, and D. Charlton (P. Geo) of Charlton Mining Exploration Inc. to prepare such technical reports for the Thelon Project and the Hornby Project.

United States - Wyoming

Ur-Energy's key priority is to advance its two main Wyoming properties, the Lost Creek and Lost Soldier projects (located in the Great Divide Basin) to in situ recovery production. Achievement of this overall objective depends upon the successful completion of the various milestones. Successful completion of many of these milestones and their expected timing is dependent on the successful completion of earlier milestones. Delays or failure to complete earlier milestones would result in delays or failure to complete later milestones. The key milestones are as follows:

- completion of environmental and permitting studies (commenced in the third quarter 2005 and ongoing through 2007);
 - completion of comprehensive and detailed geologic reports for Lost Creek and Lost Soldier projects to be used in the engineering studies (to be completed in the second quarter of 2007);
 - completion of feasibility pump tests and related hydrology studies (commenced second quarter 2006 for expected completion in third quarter 2007);
 - completion of engineering studies on the projects (commenced second quarter 2006 and ongoing through 2008);
 - completion of toll-milling business arrangement for processing of ion-exchange resin from the projects (expected by later 2007);
 - completion of mining pre-feasibility studies for Lost Creek project (expected by mid-2007) and final feasibility studies (expected by first quarter of 2008);
 - completion of mining pre-feasibility studies for Lost Soldier (expected by fourth quarter of 2007) and final feasibility studies (expected by later 2008);
 - completion of all baseline studies and environmental studies for Application for Permit to Mine for Lost Creek and Lost Soldier projects (expected second quarter 2007);
 - completion of Application for Permit to Mine on Lost Creek and NRC License Applications (expected in the third quarter of 2007);
 - completion of Application for Permit to Mine on Lost Soldier and NRC License Applications (expected in later 2008); and
-

- commence installation of first production wellfields at Lost Creek project (expected fourth quarter 2008).

Lost Creek Property

The following is the Summary extracted from the technical report dated June 15, 2006 and titled "Technical Report on the Lost Creek Property, Wyoming", which was prepared for the Company in accordance with NI 43-101 by RPA ("Technical Report – Lost Creek"), Section 4 to 19 of the Technical Report – Lost Creek are incorporated by reference in this AIF. The full Technical Report – Lost Creek can be viewed under the Company's profile on the SEDAR website at www.sedar.com.

EXECUTIVE SUMMARY

RPA was retained by Ur-Energy to prepare an independent Technical Report on the Lost Creek Project in the State of Wyoming, USA.

The Lost Creek Project consists of 184 unpatented lode claims and one state section lease totaling 4,379 acres, 90 miles southwest of Casper, Wyoming. The property was extensively drilled in the 1970s by Texasgulf Inc. (TG) and, more recently, Ur-Energy has completed a program of data compilation and 10,420 ft. of confirmation drilling.

The current resources at the Lost Creek Project as at May 30, 2006, based on a minimum grade of 0.03% U₃O₈ and a grade thickness (GT) equal to or greater than 0.3 are reported in Table 1-1. RPA is of the opinion that the classification of resources as stated meets the CIM definitions as adopted by the CIM Council on November 14, 2004, as required by National Instrument 43-101.

**Table 1-1 Lost Creek Resources – 2006
Ur-Energy Inc. – Lost Creek Project**

Classification	Tons (Millions)	Average Thickness (Ft.)	Grade % U₃O₈	Pounds U₃O₈ (Millions)
Indicated	8.5	19.5	0.058	9.8
Inferred	0.7	9.6	0.076	1.1

Preliminary leach tests indicate that the mineralization is amenable to leaching with an oxygenated lixiviant. The main mineralized horizons, which have an approximate stratigraphic thickness in excess of 130 ft., are confined by impermeable mudstones above and below the mineralization and, therefore, are considered to be ideal for the use of in situ leaching (ISL) methodology.

Ur-Energy has proposed a US\$2.975 million budget to advance the project during the year ending June 2007. The proposed program includes the drilling of 17 wells in order to carry out pump tests and water quality analysis, permitting, collection of environmental data, and feasibility studies. Ur-Energy is planning to submit an application for mine permits by mid 2007.

RPA is of the opinion that Ur-Energy should continue with the drilling, pump tests, permitting and feasibility studies leading to a production decision.

TECHNICAL SUMMARY

The Lost Creek Project is located 90 miles southwest of Casper, Wyoming, and 25 miles south of Jeffrey City, which is located on U.S. Highway 287. The property is readily accessible year round by an extensive system of gravel and dirt roads extending from Jeffrey City.

Climax Amax Inc. acquired the property in 1968 and discovered low-grade mineralization in the Battle Springs formation. TG acquired the property in 1976, optioned the adjoining Conoco ground in 1978, and completed drilling with the discovery of the continuation of the Main Mineral Trend (MMT) eastward from the Lost Creek Project. Leach tests using bicarbonate lixiviant resulted in uranium extraction ranging from 60% to 80%. TG dropped the project in 1983 due to economic conditions.

From 1986 to 1988, Power Nuclear Corporation (PNC) Exploration of Japan acquired a 100% interest in the project from Cherokee Exploration Inc., the then owner of the property, and conducted geologic and in situ leach evaluations. In 2000, New Frontiers Uranium LLC acquired the property and the database from PNC.

About 3,000 rotary drill holes totaling some 1.36 million ft. have been completed on or near the property, with the MMT being drilled off at 200 ft. centres with some infill at closer spacing.

There have been a number of resource estimates completed by the various owners since 1978. In 1982, TG reported a total resource of 5.7 million lbs of contained U_3O_8 in 4.6 Mt at an average grade of 0.062% U_3O_8 using apolygonal method with varying cut-offs. These resources are historical in nature and Ur-Energy is not treating the historical estimates as NI 43-101 defined resources or reserves verified by a qualified person, and the historical estimates should not be relied upon.

Mineralization is found at depths ranging from 150 ft. to 1,150 ft. in fluvial arkosic sandstones of the Eocene Battle Spring Formation that dip from 3° northwest to 3° southwest. Thick-bedded (up to 50 ft. thick), medium- to coarse-grained sandstones make up about 60% of the section at Lost Creek and host the uranium deposits. Siltstone, shale, and claystone are interbedded with the sandstones. The main zone of mineralization at Lost Creek strikes east-west for at least four miles (half of which is well defined) and is up to 2,000 ft. wide, with intercepts ranging from 350 ft. to 700 ft. deep. Mineralization is in the form of fine-grained intergrowths of coffinite with pyrite, as coatings, fracture fillings, and rimming voids. Grade ranges from 0.03% U_3O_8 to 0.20% U_3O_8 , with an average of intercepts in the mineralized envelope of the MMT at 0.04% U_3O_8 . The thickness of individual mineralized beds at Lost Creek locally ranges from 5 ft. to 28 ft., and averages 16 ft. It appears that there are no high-grade intercepts greater than 0.5% U_3O_8 . Generally, the deposit has uniformly low grade intercepts in thick mineralized horizons, with continued alteration to the north.

Ur-Energy carried out a drill program totaling 10,420 ft. in 14 holes during October and November 2005. Twelve holes were spotted within 5 ft. to 10 ft. of the historical drill holes in order to verify mineralization intersected in those older holes and to allow comparison of the mineralized intervals. One hole was drilled between two historical holes 200 ft. apart in order to verify continuity of the mineralization. The holes were surveyed with a down-hole geophysical probe and selected intervals of core were sampled for chemical assays. Measurements taken by the down-hole probe include gamma logs, self potential, resistivity, and hole deviation. A total of 188 samples were chemically analyzed at Energy Laboratories Inc. (Energy Labs) of Casper, Wyoming, using standard industry analyses. Energy Labs has been carrying out uranium analysis for over 25 years and is considered to be a recognized laboratory.

Ur-Energy selected a total of six one-foot samples from the recent drilling to undergo bottle roll leach tests. The work was carried out over an 80 hour period at Energy Labs using a lixiviant of sodium bicarbonate and hydrogen peroxide. Analysis of the leach solutions indicated leach efficiencies of 52% to 94%. Tails analysis indicated an average U_3O_8 extraction of 82.8%.

AATA International Inc., an environmental consultancy at Fort Collins, Colorado, reports that, based on the experience of two permitted projects, approval of a new greenfield ISL project could require three to four years after the decision to proceed with a baseline data collection. Ur-Energy will fast-track the project to shorten the timetable by one year by carrying out concurrent studies wherever possible and being proactive with the agencies. The schedule is driven by the collection of the environmental baseline data and project data. Ur-Energy has commenced collection of the baseline data required, and permission has been received from the Wyoming Department of Environmental Quality (WDEQ) for the drilling of 17 wells to be used for pump tests that will commence in June. The pump tests will provide information on water quality and permeability of the sandstones relative to the horizontal and vertical flow. Wildlife, meteorological, soil and vegetation surveys have commenced, and archaeological and radiology surveys are scheduled for this summer.

A total of 576 holes were identified within the current property boundary. These holes contained 628 mineralized intervals equal to or greater than 0.03% U_3O_8 . The majority of the data consisted of U_3O_8 grade estimated from geophysical logs. Chemical assays were used where available (17 holes), representing approximately 4% of the intervals. GT values were calculated for each hole, using a cut-off of 0.03% U_3O_8 . All intercepts below the watertable contributed to the total thickness. A 0.3 GT boundary was used to create polygons, from which the area was calculated. Nineteen (19) holes within this boundary, but with a GT value of less than 0.3, were excluded from the estimate.

RPA reviewed selective geophysical drill logs, compared the TG drill holes and geophysical logs with the twins drilled by Ur-Energy, and considers the data appropriate for use in a resource estimate.

A cut-off grade of 0.03% U₃O₈ and a GT product equal to or greater than 0.3 were used to define the mineral resources. This is based on a uranium price of US\$40 per pound and estimated operating costs of approximately US\$20 per pound.

Classification of the resources was determined by a combination of grade continuity and drill hole spacing, nominally 200 ft. centres for indicated resources, with the exception of several section lines that have been drilled off at 50 ft. spacing along the sections.

Since the completion of Technical Report - Lost Creek, the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including wellfield layouts, hydraulic analysis and deep disposal well(s) by Petrotek Engineering Corporation;
- completion of baseline water quality sampling for three consecutive quarters from the monitoring wells;
- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- aquifer test analysis report completed by Hydro-Engineering, LLC; and
- planning and permitting a three rig drilling program to start development work in April of 2007 with installation of 58 internal monitoring wells within the First Mine Unit and 70 delineation drill holes plus obtaining additional core samples for column leach tests and permeability tests.

Lost Soldier Property

The following is the Summary extracted from the technical report dated July 10, 2006 and titled "Technical Report on the Lost Soldier Property, Wyoming", which was prepared for the Company in accordance with National Instrument 43-101 by RPA (the "Technical Report - Lost Soldier"). Sections 4 to 19 of the Technical Report- Lost Soldier are incorporated by reference in this AIF. The Technical Report - Lost Soldier can be viewed under the Company's profile on the SEDAR website at www.sedar.com.

EXECUTIVE SUMMARY

RPA was retained by Ur-Energy, to prepare an independent Technical Report on the Lost Soldier Project in the State of Wyoming, USA.

The Lost Soldier Project consists of 70 unpatented claims totaling 1,400 acres located in Sweetwater County, 90 miles southwest of Casper, Wyoming. The property was extensively drilled in the 1970s and more recently Ur-Energy has completed a program of data compilation and continuation drilling.

The current resources at the Lost Soldier Project as at May 30, 2006, based on a minimum grade of 0.03% U₃O₈ and a grade thickness (GT) equal to or greater than 0.3 are reported in Table 1-1. RPA is of the opinion that the classification of resources as stated meets the CIM definitions as adopted by the CIM Council on November 14, 2004 as required by National Instrument 43-101.

**Table 1-1 Lost Soldier Resources – 2006
Ur-Energy Inc. Lost Soldier Project**

Classification	Tons (Millions)	Average Thickness (Ft.)	Grade % U₃ O₈	Pounds U₃ O₈ (Millions)
Measured	3.9	21.1	0.064	5.0
Indicated	5.5	17.1	0.065	7.2
Total M+I	9.4	17.2	0.065	12.2
Inferred	1.6	14.5	0.055	1.8

Preliminary leach tests indicate that the mineralization is amenable to leaching with an oxygenated lixiviant. The main mineralized horizons consist of nine sand units ranging from depths of 100 ft. to greater than 450 ft. below the surface and are separated by impermeable mudstones and therefore are considered to be ideal for the use of ISL methodology.

Ur-Energy has proposed a US\$3.145 million budget to advance the project during the year ending June 2007. The proposed program includes the drilling of 17 wells in order to carry out pump tests and water quality analysis, permitting, collection of environmental data and feasibility studies. Ur-Energy is planning to submit an application for mine permits by mid 2007.

RPA is of the opinion that Ur-Energy should continue with the drilling, pump tests, permitting and feasibility studies leading to a production decision.

TECHNICAL SUMMARY

The Lost Soldier Project is readily accessible year round by three miles of gravel road from Bairoil, which is approximately 90 miles southwest of Casper.

In the late 1960s, Kerr-McGee Corp. (Kermac) carried out reconnaissance exploration and drilling that showed potential for low-grade mineralization in the Lost Soldier area. Kermac continued drilling through May, 1974 but let the property expire in 1986. More than 5,900 exploration, development, and core holes, totaling over 3.3 million ft. have been drilled in the area, half of which were drilled on 50 ft. to 100 ft. spacing.

Several individuals restaked the property and from 1992 to 1994, Cameco Corporation (Cameco) re-evaluated the property in 1993 and 1994. Cameco completed 28 holes totaling 13,481 ft. including 911 ft. of coring in 19 holes to provide samples for porosity and permeability tests. It is reported that there was excellent permeability in the mineralized sands and low permeability in the confining zones. The leach tests confirmed that the mineralization was amenable to leaching with bicarbonate lixiviant.

Cameco transferred the property to its subsidiary Power Resources in January 1997 and the property was returned to the original owners in 2000. In 2003 New Frontiers Uranium LLC (NFU) consolidated the 53 claim property. Effective June 30, 2005, Ur-Energy entered into the Membership Interest Purchase Agreement where under it agreed to purchase all of the issued and outstanding membership interests in NFU for US\$20 million as part of a package of properties that includes an extensive database. Ur-Energy staked an additional 17 claims adjoining the original property.

There have been a number of historic resource estimates completed by various owners of the property with the most recent being Cameco, (1994) that reported the following resources:

- Demonstrated: 8.4 million pounds of U₃ O₈
- Inferred: 7.3 million pounds of U₃ O₈

The resources stated above are historical in nature and Ur-Energy is not treating the historical estimates as National Instrument 43-101 defined resources or reserves verified by a qualified person and the historical estimates should not be relied upon.

The Lost Soldier deposit occurs in the eastern part of the Great Divide Basin in arkosic sandstones of the Eocene Battle Spring Formation. Pliocene pediment and gravel deposits cover the sedimentary rocks and average four ft. thick. The Battle Spring Formation is 900 ft. thick locally and dips 1.5° to 15° west reflecting the Lost Soldier anticline. Mineralized intervals are found at depths ranging from less than 75 ft. to 500 ft. with individual sandstone beds up to 120 ft. thick containing uranium mineralization. Siltstone and mudstone intervals up to 30 ft. thick correlate across the area and separate the upper and lower sandstones. Alteration in barren zones within the geochemical cell shows limonite and hematite staining, kaolinization of feldspar, bleaching, and greenish coloration by chlorite. The area has a static water table 30 ft. to 100 ft. deep, typically 70 ft. to 80 ft.

Uranium occurs as uraninite and coffinite, in roll fronts and in stacked tabular bodies in arkosic sandstones. Some of the mineralization is also related to post-mineral faulting and remobilization. Mineralization occurs in nine or more sandstone horizons, generally 7 ft. to 16 ft. thick. An upper sandstone unit about 100 ft. thick contains most of the uranium mineralization. Grade ranges from 0.04% to 0.20% U_3O_8 with an average of intercepts in the mineralized zone of 0.078% U_3O_8 . Several mineralized fronts extend beyond the core area, providing possible extensions to the deposit to the west-northwest and south.

Ur-Energy completed five rotary holes totaling 1,857 ft. during October and November 2005. The holes were spotted within 5 ft. or 10 ft. of the historical holes in order to verify mineralization intersected in these older holes and allow comparison of the mineralized intervals. Century Geophysical Corp of Tulsa, Oklahoma carried out downhole surveys which included gamma logs, self potential, resistivity and deviation surveys for all the holes. Of the total footage, 197 ft. in five holes were cored and 97 one-foot or 0.5 foot samples were chemically assayed at Energy Laboratories in Casper, Wyoming using a four-acid leach and ICP analysis. Energy Labs has been carrying out uranium analysis for over 25 years and is considered to be a recognized laboratory.

Ur-Energy selected six one-foot samples from the recent drilling to undergo bottle roll leach tests. The work was carried out over an 80 hour period at Energy Labs using a lixiviant of sodium bicarbonate and hydrogen peroxide. Analysis of the leach solutions indicated leach efficiencies of 53% to 94%. Tails analysis indicated an average U_3O_8 extraction of 65.2%.

AATA International Inc., an environmental consultancy at Fort Collins, Colorado, reports that based on the experience of two permitted projects, approval of a new greenfield ISL project could require three to four years after the decision to proceed with a baseline data collection. Ur-Energy will fast-track the project to shorten the timetable by one year by carrying out concurrent studies wherever possible and being proactive with the agencies. The schedule is driven by the collection of the environmental baseline data and project data. Ur-Energy has commenced collection of the baseline data required, and permission has been received from the Wyoming Department of Environmental Quality (WDEQ) for the drilling of 17 wells to be used for monitoring wells and pump tests that will commence in June. The pump tests will provide information on water quality and permeability of the sandstones relative to the horizontal and vertical flow. Wildlife, meteorological, soil and vegetation surveys have commenced and archaeological and radiology surveys are scheduled for this summer.

A total of 3,760 holes within the current property boundary contain mineralized intervals greater than 0.03% U_3O_8 of which 1,933 holes are used in the resource estimate. The majority of the data consist of U_3O_8 grade estimated from geophysical logs. Chemical assays are used where available representing approximately 2% of the intervals. Grade thickness (GT) values were then calculated for each hole, using a cut-off of 0.03% U_3O_8 . All intervals above the cut-offs were summed to provide a total interval thickness in each hole. Only intercepts deeper than 100 ft. contributed to the total thickness. A 0.3 GT boundary was used to create polygons, for which the area was measured. One hundred and fifty (150) holes within this GT boundary but with a GT value below the cut-off of 0.3 were excluded from the resource estimate.

RPA reviewed selective geophysical drill logs, compared the Cameco and Kermac drill holes, chemical assays and geophysical logs with the twins drilled by Ur-Energy and considers all of the drill hole data appropriate for use in a resource estimate.

A cut-off grade of 0.03% U_3O_8 and a grade thickness product (GT) equal to or greater than 0.3 were used to define the mineral resources. This is based on a uranium price of US\$40 per pound and estimated operating costs of approximately US\$20 per pound.

Classification of the resources was determined by a combination of grade continuity and drill hole spacing, nominally 50 ft. centres for measured resources, 100 ft. centres for indicated and up to 200 ft. for inferred resources.

Since the completion of Technical Report - Lost Soldier, the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including deep disposal well(s) by Petrotek Engineering Corporation;
- initiation of selected engineering studies by Pincock, Allan & Holt;
- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- hydrologic stress testing report completed by Leppert Associates; and
- baseline water quality sampling for three consecutive quarters from the monitoring wells.

Canada – Northwest Territories and Nunavut

Hornby Basin Properties

The Hornby Basin Properties are grass roots project in the Proterozoic Hornby Basin, which straddles the Nunavut/Northwest Territories boundaries east of Great Bear Lake. The project area is associated with significant radiometric anomalies and a high-grade boulder train. One of the two claim groups encompasses Triex Minerals' Mountain Lake project which hosts the PEC uranium deposit containing an inferred uranium resource of 8.2 million pounds grading 0.23% U_3O_8 .

Thelon Properties

The Thelon Basin Properties are grass roots projects located on crown land which the Company believes have potential for discovery of high-grade unconformity uranium deposits of the Athabasca style. The claims are situated in the Thelon Basin located in the Northwest Territories. The Thelon Basin is host to the undeveloped Kikkavik-Andrew Lake and End deposits which contain a reported historical resource of 130 million pounds of uranium at an average grade of 0.38% U_3O_8 .

Potential high-grade uranium at the unconformity on the Screech Lake claim group is indicated by high surface radon and radiogenic helium gases in soils and radioactive groundwaters in lake bottom springs. Airborne MEGATEM® surveys and ground electromagnetic surveys confirm a very low resistivity zone underlying the anomalous surface conditions at and above the unconformity contact. This strong basement electromagnetic conductor is interpreted to be due to clay alteration just above the unconformity. In July 2006, an environmental screening study was completed on the Screech Lake Project. Current work plans include further surface radon sampling, additional ground geophysical surveys and drilling.

In September 2006, an application for a land use permit to conduct drill testing of Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board for environmental assessment. This assessment was completed on February 28, 2007 and a report from the Review Board is anticipated in April 2007.

The following is the Summary extracted from the technical report dated January 31, 2005 updated October 20, 2005 and titled "Technical Report on Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project located in Northwest Territories, Canada", which was prepared for the Company in accordance with National Instrument 43-101 by John D. Charlton, P. Geo (the "Technical Report – Thelon Property"). Sections 3 to 9 and 15 of the Technical Report- Thelon Property are incorporated by reference in this AIF. The Technical Report – Thelon Property can be viewed under the Company's profile on the SEDAR website at www.sedar.com.

EXECUTIVE SUMMARY

John D. Charlton was retained by Ur-Energy Inc. to prepare a technical report on the three (3) properties comprising the Thelon Project: the Gravel Hill, Screech, and Eyeberry Properties. The purpose of this report is to provide an evaluation of the exploration potential of these properties and to recommend an exploration program in consequence. The three properties are located in the eastern part of the Northwest Territories, Canada. The southernmost Gravel Hill Property is comprised of twenty (20) contiguous claims covering a total surface area of 50,617 acres. The Screech Property is comprised of twenty (20) contiguous claims covering a total surface area of 53,058.75 acres. The northernmost Eyeberry Property is comprised of thirty-two (32) contiguous claims covering a total surface area of 62,435.55 acres. Ur-Energy holds the undivided 100% mineral rights to the Thelon Project properties.

A land use permit is required to conduct specified types of exploration work. In the case of the Thelon Project these include camp setup and drilling. Application is made through the Mackenzie Valley Land and Water Board (MVLWB) who are responsible for the review and approval process for each permit application. As a result of an objection from the Lutsel K'e Dene First Nation, the MVLWB referred the Screech Property land use application to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for environmental assessment (EA). As of June 22, 2005, Ur-Energy Inc. has withdrawn the application for a land use permit at Screech. Ur-Energy fully intends to re-apply for a land use permit at Screech later in 2005, following consultations with the Lutsel K'e Dene. During the period prior to the receipt of a land use permit, the Screech Property exploration program can proceed up to, but not including, the drilling phase.

The Thelon Project properties are located in a remote area accessible only by float or ski-equipped fixed wing aircraft or by helicopter. Yellowknife is generally the most practical base from which to operate. The properties lie along the southwestern rim of the Thelon Basin in a region historically referred to as the southeastern barrenlands. The region is subject to an Arctic climate. The most effective working period is from mid-June to mid-September. Regional geophysical coverage is provided by GSC aeromagnetic survey maps and by regional-scale NATGAM radioactivity maps. Historic mineral exploration activities in this region have focused on uranium. Urangesellschaft Canada Ltd. (UG) was responsible for all significant historical exploration work on the Thelon Project properties. UG completed regional geochemical surveys over the southwestern Thelon Basin in the mid- 1970's. The results from these formed the basis for subsequent ground acquisition and follow-up exploration. All of the UG work pertaining directly to the Thelon Project properties was done over the period 1975-83. No further exploration was done on any of them until the current program in 2004.

On the Gravel Hill Property UG follow-up exploration included more detailed geochemical sampling, a limited airborne spectrometry survey, ground mapping and prospecting, and a UG airborne system survey. Additionally, limited gravity and resistivity surveys, and trenching were done on uranium showing areas. During the summer of 1979 nine (9) diamond drill holes totaling 1,040 m were completed on the B&B and # 2 Showings.

A narrow, 1.5 km long, east-west trending lake, dubbed « Screech Lake » was found to be the source of the highest radon-in-water anomaly located during the UG regional surveys. Consequently, the entire area was flown with the UG airborne system. Detailed overburden sampling, follow-up lake and stream sediment sampling, prospecting and ground geophysical surveys were completed in the Screech Lake area. Underwater spectrometer and scintillometer surveys were done, followed by helium surveys. Several lake-bottom springs emanating cold, milky, radioactive

waters were found and sampled. In 1979 one vertical hole was drilled to 459 m depth. It failed to reach the unconformity.

Follow-up of the geochemical and UG airborne system coverage revealed significant anomalous areas that UG staked to the north of Eyeberry Lake. Mapping and prospecting led to more detailed geophysical surveys and to trenching on two different parts of the current property. Two uranium showings were trenched, sampled and drilled in the southern part of the Eyeberry Property.

The three Thelon Project properties lie within and adjacent to the southwestern portion of the Thelon Basin. This arcuate basin is comprised primarily of fine to medium grained sandstone with minor conglomerate deposited in Paleohelikian time. It covers a large area of the western Churchill Structural Province. The lithological variation and their facies inter-relationships are remarkably comparable to those in the Athabasca Basin. The basal conglomerates and sandstones of both basins were deposited upon a deeply paleoweathered surface.

Large areas of the central and northeastern Thelon Formation are underlain by Pitz Formation continental felsic volcanics and by coeval, fluorite-bearing, rapakivi granites. Along the northwestern, western, and southern margin of the Thelon Basin granitoid gneisses of unknown ages and metasediment-dominated belts have been delineated. The granitization of supracrustal rocks and the intrusion of syn- and post- (anorogenic) tectonic granite intrusions during and after the Hudsonian orogeny represent a major uranium metallogenetic episode throughout the Churchill Province.

Long-lived, crustal-scale high strain zones, following the dominant northeast structural grain, are defining, fundamental features of the western Churchill Province. Uranium deposits and occurrences in the northeastern Thelon Basin are associated, both regionally and locally, with northeast-trending basement structures. Similarly the major uranium deposits in the eastern Athabasca district lie along an extensively reworked, northeast-trending, Archean-Paleoproterozoic terrane.

The oldest rocks on the Gravel Hill property are Archean-aged strongly to moderately foliated granitic gneisses and massive to weakly foliated granitic rocks. Narrow, undeformed trachyte dykes and lenses intrude the basement rocks. The radioactive Muskeg Lake Granite covers the eastern third of the property. Thelon Formation sandstones occupy the northwestern portion of the property.

No outcrops are known to occur on the Screech Property. Practically the entire area of the property, except the extreme western edge, appears to be underlain by Thelon Formation sandstone. Basement geology at Screech is inferred from the adjacent Boomerang Property to the southwest, and from aeromagnetism. A wide, northeast trending band of metasediments, containing a graphitic metapelitic component, is interpreted to traverse the property. Predominant basement structural trends strike NESW and NW-SE across this area.

Thelon sandstones cover a continuous slice of the eastern Eyeberry Property along the Thelon Game Sanctuary boundary, as well as almost the entire southern third of the property. A northeast-striking contact, defined by mapping and by magnetic interpretation, separates a gneissic terrane dominated by metavolcanics in the southeast from one dominated by metasediments in the northwest. Two outliers of Thelon Formation sandstone, as well as exposures of possible Pitz Formation rhyolites and of regolith occur in the northern portion of Eyeberry.

The deposit type targeted by the Thelon Project is the unconformity-related uranium deposit. Known Proterozoic unconformity-type uranium deposits in the Athabasca Basin are subdivided into two sub-types based upon their position relative to the unconformity (fracture-bounded or clay bound) or, according to ore mineralogy (monometallic or polymetallic). Deposits of the monometallic sub-type usually occur in fractured metasedimentary basement rocks. Polymetallic (U-Ni-Co-As) deposits occur immediately at the unconformity. In the southwestern Thelon Basin, the Boomerang Prospect is classed as a polymetallic uranium prospect. In the northeastern Thelon Basin, Cameco's large Kiggavik uranium deposit belongs to the monometallic or fault-bounded sub-type.

The diagenetic-hydrothermal model is the most widely supported unconformity-related uranium deposit genetic model. This model implicates a pre-existing uranium rich subprovince formed as a result of granitic magmatism. Uranium from these sources may then have been concentrated within Paleoproterozoic sediments, which were subsequently folded and metamorphosed. Uranium from these sources was eroded from the deeply paleoweathered terrane and redeposited in the overlying siliciclastic sequences.

The resultant thick and regionally extensive basal siliciclastics underwent diagenesis, peaking. Hot, saline and metal-rich diagenetic fluids moved laterally and downward. Fluids may have migrated laterally along horizontal aquitards within the Thelon Formation. Encountering the hydrogeological barrier at the basement unconformity,

they spread laterally along it. Uranium and other metals deposition was structurally controlled by the unconformity, faults and fractures, and lithologically controlled by graphitic metapelites in the basement and by altered and porous sediments above the unconformity. Some of this uranium was subsequently remobilized and redeposited in subsequent hydrothermal episodes.

At the Screech Property radon, radium, and uranium anomalies from UG geochemical surveys show an ENE alignment, forming a wide anomalous corridor or zone largely corresponding with the basement metasediments. The underwater springs feeding into Screech Lake are highly anomalous in helium, radon, and uranium contents. The waters of the lake are highly ionized. Helium-in-soil anomalies show a NE-SW alignment contiguous to the lake. The 2004 exploration program by Ur-Energy Inc. on the Thelon Project consisted entirely of a combined high-resolution time-domain helicopter electro-magnetic (THEM system of McPhar Geophysics Ltd.) and concurrent airborne magnetic survey. Force majeure was declared after covering a small portion of the Screech Property due mainly to very poor weather conditions and the survey was not completed. This electromagnetic system appears not to be suitable for detecting conductors beneath the sandstone thicknesses present on the Screech Property.

The Boomerang Prospect, found as a result of Hudson's Bay Oil and Gas (HBOG) and UG exploration efforts, lies 12 km southwest of the Screech Property on adjacent mining leases currently held by Uravan Minerals Inc. In 1983 UG diamond drill hole BL-83-21 intersected 22.4 g/t Au, 12.3 g/t Ag, and 5,003 ppm U₃O₈ over 0.5m in strongly altered sandstone at the unconformity contact here. Subsequent UG drill results, and 1998 drilling by Uravan, confirmed the Boomerang Prospect to be a polymetallic unconformity-type uranium deposit occurring in close association with basement graphitic horizons and faulting.

The basement lithologic and structural elements key to localizing uranium mineralization appear to be continuous from the Boomerang Prospect northeastward onto the Screech Property. The conductive graphitic horizons within the metapelites were the key to the discovery of the Boomerang Prospect. These are detectable using time domain electromagnetic techniques. The Screech Lake area and the contiguous portion of the Screech Property toward the southwest to the property boundary warrant a concerted exploration effort directed at the discovery of an unconformity-related uranium deposit.

On the Gravel Hill Property, the northern anomaly band stretches from the northern part of the Muskeg Lake Granite and westward, continuing south of Gravel Hill Lake beneath Thelon sandstones. The northern anomaly band received little exploration attention from UG. It is comprised of a series of geochemical anomalies, a bedrock-hosted radioactive occurrence and radioactive boulders. Gravel Hill merits a specific exploration effort directed at the discovery of unconformity-related uranium mineralization along the northern anomaly band.

On the Eyeberry Property, several scattered geochemical anomalies of merit occur in the sparsely sampled sandstones east of the Thelon River. In contrast to the well prospected terrane to the west, the Thelon terrane, encompassing these anomalies in the southeast, merits a specific exploration effort.

A two-phase exploration program is proposed for the Thelon Project. The first phase consists of the completion of a MEGATEM survey to provide full coverage of the Screech Property, as well as MEGATEM surveys of selected areas of the Gravel Hill and Eyeberry properties. Additionally, it should include detailed ground electromagnetic coverage of the Screech Lake portion of the Screech Property in preparation for Phase II diamond drilling. Phase I work would best be completed prior to break-up.

Recommended Phase II work consists of 3,400 m of exploratory diamond drilling and subsequent down-hole surveys to test Screech Property basement geophysical features. It also includes ground geophysical coverage of the southwestern part of the Screech Property. Phase II work would best be completed during the winter months. Estimated exploration costs are \$900,000 for proposed Phase I, and \$2,400,000 for proposed Phase II.

Since the completion of the Technical Report – Thelon Property, certain components of the recommended work program have been undertaken and/or completed as follows:

In mid 2005, Aurora Geosciences Ltd. completed a ground PROTEM 57 electromagnetic survey and ground magnetic and VLF surveys over the Screech Property and Fugro Airborne Surveys completed a MegaTEM airborne electromagnetic and magnetic survey over the entire Screech Property. In addition, the Company completed an EIC (electret ion chamber) radon sampling and prospecting exploration program on the Screech

Property. Condor Consulting completed a processing and analysis of the MegaTEM survey data for the Screech Property in April 2006.

In mid 2006, Aurora Geosciences Ltd. completed further ground PROTEM 57, magnetic, and VLF-EM surveys, extending the review of the Screech Property southward and eastward including the southeast anomaly. A ground exploration program was also completed, the principal components of which, were ground radon flux monitor (RFM) surveys and ground radon-in-air (RIA) surveys utilizing field-adapted electret ion chamber (EIC) radon measurement technologies. Highly anomalous radon concentrations and trends were 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 Property.

The Company contracted Golder Associates ("Golder") to facilitate the land use permit application process and to complete an environmental benchmark study at the Screech Property. Following community consultations with the Lutsel K'e Dene and the Fort Resolution Dene, the company and Golder re-applied for a Land Use Permit on July 13, 2006. In August 2006, Golder completed the benchmark environmental study and the Company conducted a community site visit to the Screech Property with representatives of Lutsel K'e. During September 2006, the land use permit application was referred to the MVEIRB for environmental assessment. In January 2007, MVEIRB held hearings on the Screech Project at Lutsel K'e. The environmental assessment was completed on February 28, 2007 and a report from the MVEIRB is anticipated in April 2007. During the period prior to the receipt of a land use permit, the Screech Property exploration program can proceed up to, but not including, the drilling phase.

The Company anticipates that upon receipt of the Land Use Permit, that it will commence a Phase II work program which will include 3,400 m of exploratory diamond drilling and subsequent down-hole surveys to test selected high priority targets. Additionally, a ground geophysical coverage of the southwestern part of the Screech Property will be conducted.

Bugs Property

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

High-grade uranium mineralization was discovered south of Nowleye Lake in the summer of 1976 during a geological reconnaissance/prospecting program carried out by Cominco Ltd. Cominco staked the (Bugs) property and completed exploration work programs on it over the ensuing four years. This work included prospecting, geological mapping, sampling, local ground magnetic and VLF-EM surveys, local track-etch radon surveys, and borehole drilling. Cominco also completed petrologic, rock geochemical, autoradiographic, and age dating studies on suites of Bugs rocks. During the summer of 1979 a total of 1,998 metres of drilling in 23 holes was completed on four separate showing areas on the Bugs Property. Three types of uranium mineralization are recognized on the Bugs Property.

A fixed wing airborne radiometric and magnetic survey was completed over the entirety of the Bugs Property by TundraAir Inc. in September 2006 and the information obtained from the survey is being utilized for the 2007 work program.

Competitive Conditions

There is aggressive competition within the uranium mining industry for the discovery and acquisition of properties with commercial potential. Many of Ur-Energy's competitors in this area have greater financial resources than Ur-Energy.

Nuclear energy competes with other sources of energy including oil, natural gas, coal and hydro electricity, many of which do not have the political, technological and environmental factors affecting the nuclear industry. Lower prices for oil, natural gas and hydro electricity particularly may result in lower demand for uranium concentrates.

The uranium industry itself is both highly competitive and highly concentrated. A small number of mining companies account for approximately 80% of the world's uranium production. Management of the Company nevertheless believes that there are market niches where smaller low cost producers could be successful. See "Risk Factors".

Uranium Market Overview

Nuclear power generation using uranium fuel has provided over 16% of the world's electricity; equal to that of natural gas but far in excess of that generated using oil at 10%. Coal, however, remains the leader at 40% with hydro electricity being half of that at 20%. As of December 2006, there were 435 nuclear reactors operating globally producing 368,246 Mwe of power. There are 28 reactors under construction, 64 planned and more than 158 have now been proposed globally. The World Nuclear Association (WNA) has projected various growth scenarios that include an upper case scenario where global nuclear generating capacity could grow as high as 740,200 Mwe, a 102% increase over 2005 output from the equivalent of 462 new reactors by 2030.

Uranium Demand and Supply

Over the past two decades, uranium consumption has exceeded mine supply by a wide margin. Demand for uranium has been increasing steadily over the past several decades, from 56 million pounds in 1980 to approximately 180 million pounds in 2006. The 435 reactors currently operating require approximately 180 million pounds of U_3O_8 equivalent. Of that total, 110 million pounds is supplied by primary production with the balance being made up from secondary sources. Cameco Corporation, one of the world's largest uranium producers, estimates that the annual demand could reach 217 million pounds by 2015. New mine production is ultimately required to meet demand.

Uranium supply to utilities is highly competitive and operates by suppliers making individual and undisclosed contracts with each utility. Primary mine production accounts for the majority of traded uranium but secondary supplies from decommissioning of nuclear weapons (HEU) and re-enriched depleted uranium from reactor fuels and uranium tails are significant, but currently represent less than 10% of supply. Recent developments in reactor requirements suggest, however, that with high uranium costs, utilities will order lower tails assays with enrichment services contracts and hence, may lower consumption in the range of 10 to 20%.

Uranium Prices

As of March 19, 2007, the spot price of uranium was reported to be US\$91.00 per pound, with the long-term contract price at US\$85.00 per pound. There are several factors thought to be driving the present increase in the price of uranium. The primary factor is the anticipated increase in world demand for energy over the next 20 years. The demand for U_3O_8 is directly linked to demand for electricity generated by nuclear power plants.

A second, but important factor, affecting future pricing of uranium is that supply of U_3O_8 from production and other sources is not expected to close the demand gap in time, perhaps leaving some utilities short of uranium. This supply deficit is predicted as early as 2012. Since 1985, world uranium production has fallen short of utility uranium consumption. Increasingly, the link between clean air and nuclear power will likely be a major factor influencing continued use of nuclear generated electricity over that of coal, oil and gas fired plants. Many European countries have stated that new nuclear construction will be necessary to reduce "greenhouse gas emissions".

RISK FACTORS

The following are the principal risk factors relating to Ur-Energy and its business:

Exploration and Development Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and development stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company'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 even 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. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine some of the Company'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 Company's control including international, economic and political trends, 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 Company's properties, cannot accurately be predicted. As the Company is only 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.

Uranium Market Factors

The marketability of uranium is subject to numerous factors beyond the control of the Company. The price of uranium may experience volatile and significant price movements over short periods of time. Factors impacting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, 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 countries such as Russia, Africa and Australia.

No Current Mineral Reserves

Calculations of mineral resources and metal recovery are only estimates, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined. While we have mineral resources, we currently do not have any 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 stripping ratio may affect the economic viability of our properties.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified employees, contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company's business and operations.

Industry Conditions

The exploration for and development of mineral deposits involves significant risks which even 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 ore 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 Company 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 Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company'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, rock bursts, cave-ins, 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.

Value of the Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and yearly operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors. These fluctuations may affect the value of the Company's common shares.

Competition

The international uranium industry is highly competitive. The Company's activities are directed towards the search, evaluation and development of uranium deposits. There is no certainty that the expenditures to be made by the Company 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 Company 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 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.

Additional Funding

Additional funds will be required for future exploration and development. The source of future funds available to the Company 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 Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders of the Company.

Lack of Earnings and Dividend Record

The Company 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 Company after taking into account many factors, including our financial condition and current and anticipated cash needs.

The Impact of Hedging Activities on Profitability

Although the Company 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 Company 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.

Environmental Risk and Compliance with Environmental Regulations Which are Increasing and Costly

Environmental legislation 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 our intended activities, and expose us to litigation. These authorities may require us to prepare and present data pertaining to the effect or impact that any proposed exploration for or production of minerals may have upon the environment. The requirements imposed by any such authorities may be costly, time consuming, and may delay operations. Future legislation and regulations designed to protect the environment, as well as future interpretations of existing laws and regulations, may require substantial increases in equipment and operating costs and delays, interruptions, or a

termination of operations. We cannot accurately predict or estimate the impact of any such future laws or regulations, or future interpretations of existing laws and regulations, on our operations. Historic mining activities have occurred on certain of our 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.

Title to Property Can be Uncertain

Although the Company 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 Company's interests. Our mineral properties in the United States consist of private mineral rights, leases covering state and private lands, leases of patented mining claims, and unpatented mining claims. Many of our mining properties in the United States are unpatented mining claims to which we have 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. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry. The present status of our unpatented mining claims located on public lands allows us the exclusive right to mine and remove valuable minerals, such as precious and base metals. We also are allowed to use the surface of the land solely for purposes related to mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States. We remain 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 Company has or will take all curative measures to ensure proper title to its properties where necessary and where possible.

Land Claims

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. No assurance can be provided that the Company's properties may not be the subject of such claims in the future.

Uninsured Hazards

The Company currently carries insurance coverage for general liability, directors' and officers' liability and other matters. The Company intends to carry insurance to protect against certain risks in such amounts as it considers adequate. The nature of the risks the Company 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 Company's business and financial position.

Conflicts of Interest

Certain directors of the Company 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 Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the

Company 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.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences 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 their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Regulatory Matters

The Company's business is subject to various federal, state, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine 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 rehabilitate 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. There can be no assurance that the Company 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 prohibit the Company from proceeding with certain exploration and development.

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. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact our 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 our financial performance.

Deregulation of the Electrical Utility Industry

The Company'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.

DIVIDENDS

As of the date hereof, the Company 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 Company to finance future growth, the general financial condition of the Company and other factors which the board of directors of the Company may consider appropriate in the circumstances.

CAPITAL STRUCTURE OF THE COMPANY

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of Class A Preference Shares. As of March 21, 2007, 73,949,874 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 Company. The holders of common shares are also entitled to dividends, if and when declared by the directors of the Company and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

The Company'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 COMPANY

Since November 29, 2005, the Company'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
	(CDN\$)		
2006			
January	11,443,400	\$1.64	\$0.95
February	5,839,900	\$1.46	\$1.07
March	31,491,600	\$2.40	\$1.09
April	20,782,900	\$2.96	\$1.96
May	15,585,200	\$2.80	\$1.81
June	8,312,400	\$2.35	\$1.72
July	6,374,800	\$2.64	\$2.14
August	6,693,000	\$2.89	\$2.15
September	12,708,100	\$3.10	\$2.66
October	27,969,900	\$4.19	\$2.67
November	23,624,400	\$4.70	\$3.55
December	15,512,200	\$4.44	\$3.62
2007			
January	14,367,600	\$4.25	\$3.70
February	24,555,500	\$5.45	\$3.89
March 1 to 21	9,994,400	\$4.55	\$3.77

ESCROWED SECURITIES

The following table sets out the number and percentage of securities of the Company held by Mr. Jeffrey Klenda and Mr. Robin Dow, former director, Chairman and Chief Executive Officer of the Company (the “Escrowed Individuals”) and their respective spouses which are subject to escrow pursuant to National Policy 46-201 - Escrow for Initial Public Offerings (“NI 46-201”).

Designation of Class	Number of Securities held in Escrow	Percentage of Class
<i>NI 46-201 Escrow:</i>		
Common shares	632,500	0.86%

NI 46-201 Escrow

Pursuant to the escrow agreement (the “Escrow Agreement”) dated as of November 17, 2005 between the Company, Equity Transfer Services Inc. (the “Escrow Agent”) and the Escrowed Individuals and their respective spouses, the Escrowed Individuals and their respective spouses agreed to deposit in escrow their common shares and warrants exercisable for common shares (the “Escrowed Securities”) with the Escrow Agent.

As an established issuer, the securities in escrow will be released under the 18 month schedule applicable to established issuers. Securities held by Escrowed Individuals and their spouses are released from escrow in equal tranches at six month intervals over 18 months (that is 25% of each Escrowed Individual’s holdings being released in each tranche with 25% of each Escrowed Individual’s holdings being exempt from the escrow provisions). The final tranche of securities will be released in May 2007.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Agreement unless the transfers or dealings within escrow are: (i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Company or of a material operating subsidiary, with approval of the board of directors; (ii) transfers to an RRSP or similar trusted plan provided that the only beneficiaries are the transferor or the transferor’s spouse or children; (iii) transfers upon bankruptcy to the trustee in bankruptcy; and (iv) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow. Tenders of escrowed securities to a take-over bid are permitted provided that, if the tenderer is an Escrowed Individual of the successor company upon completion of the take-over bid, securities received in exchange for tendered escrowed securities are substituted in escrow on the basis of the successor company’s escrow classification.

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 Company.

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 (2) (3) Golden, Colorado	Chairman and Director Certified Financial Planner	August 2004 – present	628,125
W. William Boberg (3) Littleton, Colorado	President, Chief Executive Officer and Director	January 2006 – present	496,875

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
	Consulting Geologist		
James M. Franklin (2) Ottawa, Ontario	Chief Scientist and Director Consulting Geologist / Adjunct Professor of Geology Queen's University	March 2004 – present	100,000
Eric Craigie Vancouver, British Columbia	Senior Vice-President Exploration and Director Consulting Geologist	March 2004 – present	60,000
Paul W. Pitman (3) Brampton, Ontario	Vice-President, Canadian Exploration and Director Consulting Geologist	March 2004 – present	250,000
Paul Macdonell (1) (2) Mississauga, Ontario	Director Senior Mediator, Government of Canada	March 2004 – present	Nil
Robert Boaz (1) (2) Mississauga, Ontario	Director Investment Banking Executive	March 2006 – present	Nil
Gary Huber (1) (2) Denver, Colorado	Director Mining Company Executive	January 2007 – present	Nil
John McNeice Ottawa, Ontario	Chief Financial Officer and Corporate Secretary Financial Consultant	n/a	215,000
Harold Backer Parker, Colorado	Vice-President of U.S. Operations	n/a	Nil
Wayne Heili Casper, Wyoming	Vice-President, Engineering	n/a	Nil

(1) Member of the Audit Committee. Mr. Huber joined the Audit Committee in January 2007, prior to his appointment Mr. Franklin was a member of the Audit Committee.

(2) Member of the Compensation Committee. Mr. Huber joined the Compensation Committee in January 2007, prior to his appointment Mr. Franklin was a member of the Audit Committee. Mr. Franklin continues to be an ex officio non-voting member of the Compensation Committee.

(3) Mr. Robin Dow resigned as a director, Chairman and Chief Executive Officer of the Company on January 11, 2006 and Mr. Pitman resigned as President of the Company on January 11, 2006. Mr. Klenda replaced Mr. Dow as Chairman of the Board of Directors and Mr. Boberg became the Acting Chief Executive Officer, President and a director of the Company. Mr. Pitman became the Vice President, Canadian Exploration. Mr. Boberg was confirmed as Chief Executive Officer and President in May 2006.

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 Company 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 Company.

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

Jeffrey T. Klenda, B.A., CFP

Chairman & Director

Mr. Klenda graduated from the University of Colorado in 1980 and began his career as a stockbroker specializing in venture capital offerings. He has been a Certified Financial Planner (CFP) since 1985 and is a member of the International Board of Standards and Practices for Certified Financial Planners (IBCFP). In 1988, he started Klenda Financial Services, Inc., 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 he formed Independent Brokers of America, Inc. (IBA). IBA was a national marketing organization providing securities and insurance products to independent investment advisors throughout the U.S. Mr. Klenda is President of Security First Financial, a company he founded to provide consultation to individuals and corporations seeking investment management and early stage funding. Mr. Klenda is currently CEO, Chairman and a director of Aura Silver Resources Inc. (director since August 2004, CEO and Chairman since February 2006). Mr. Klenda became a director of the Company in August 2004 and Chairman of the Board in January 2006.

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

President, Chief Executive Officer & Director

Mr. Boberg is the Company's President and Chief Executive Officer and a director (since January 2006). Previously, Mr. Boberg was the Company's senior US geologist and VP U.S. Operations (September 2004 to January 2006). Prior to his involvement with the Company, Mr. Boberg 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. Mr. Boberg has over eighteen years experience exploring for uranium in the continental US. He has worked for Continental Oil Company, World Nuclear, Kennecott Exploration Inc., Western Mining Corporation, Canyon Resources Corporation and Patrician Gold. He discovered the Ruby Ranch and the Moore Ranch uranium deposit as well as several smaller deposits in Wyoming's Powder River Basin. He has his Masters degree in Geology from the University of Colorado. He is a registered Wyoming Professional Geologist.

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

Chief Scientist & Director

Dr. Franklin has over 37 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 and, since 2001, at Laurentian University. 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 Phoenix Matachewan Mines Inc. (since September 2000), Patrician Diamonds Inc. (since January 1998), Aura Silver Resources Inc. (since October 2003) and RJK Exploration Ltd. (since July 2001).

Eric Craigie, B. Sc. Hon. Geo

Senior Vice President, Exploration & Director

Mr. Craigie has over 35 years experience as a mineral exploration geologist. His career began in 1970, working on uranium projects in central and northern Canada. From 1978 until 1984, he managed the eastern Canadian exploration office of BP Minerals and from 1984 until 1992 he was in charge of diamond exploration for the Selection Trust Division of BP Resources. Since 1992, he has been a consulting geologist working extensively for diamond, gold, base metal and uranium explorers in Canada, USA, Africa and Asia. He is currently President of Patrician Diamonds Inc. (since November 2004), and Vice President, Exploration and a director of Aura Silver Resources Inc. (since October 2003).

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

Vice President, Canadian Exploration & Director

Mr. Pitman has over 35 years experience as an exploration geologist. He began his career with Gulf Minerals as a project geologist at the Rabbit Lake, Saskatchewan discovery in 1969, followed by work in the 1970s -

1980s as a senior geologist for BP Minerals exploring for uranium across Canada. He and Eric Craigie formed Hornby Bay Resources, a lead explorer in the Hornby Bay Basin for unconformity uranium deposits. Mr. Pitman is President and a director of Aura Silver Resources Inc. (since October 2003). He was also the Secretary of Nuinsco Resources Ltd. from September 2003 to February 2005 and was Vice-President of Patrician Diamonds Inc. from 1998 to September 2006. Mr. Pitman was President of the Company from its inception up to January 2006.

Paul Macdonell, B. Public Admin

Director, Chair of the Audit and Compensation Committees

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. Mr. Macdonell is the chair of the Audit Committee for Phoenix Matachewan Mines Inc. and Patrician Diamonds Inc. He has been a director of Patrician Diamonds Inc. since 1996, of Phoenix Matachewan Mines Inc. since September 2000 and of Aura Silver Resources Inc. from October 2003 to September 2006.

Robert Boaz, M. Economics, Hon. BA

Director

Mr. Boaz has 18 years in the investment banking business after a career in the power and natural gas industry working in management positions for Ontario Hydro, Saskatchewan Power and Consumers Gas. He has held senior management positions in a number of firms in the investment industry with direct responsibilities related to research, portfolio management, institutional sales and investment banking. From 2004 to March 2006, Mr. Boaz was Managing Director Investment Banking with Raymond James Ltd. in Toronto. From 2000 to 2004, Mr. Boaz was Vice President and Head of Research and in-house portfolio strategist for Dundee Securities Corporation. Mr. Boaz is a director of Aura Silver Resources Inc., AuEx Ventures Inc. and Chair of Solex Resources Corp.

Gary Huber, Ph.D.

Director

Mr. Huber is a mining company executive with over 30 years of diversified natural resource experience. Gary was a founder of Canyon Resources Corporation, currently a gold company which was initially formed for the purpose of uranium exploration in the western United States. During the period from 1979 to 2006 he held various positions with Canyon including: Director, Chief Financial Officer, and Vice President-Finance. He was also President and CEO of Canyon's industrial minerals subsidiary which operated and sold functional fillers and specialty products from two processing facilities and three mines. Prior responsibilities in the 1970's have included uranium property acquisition, exploration and production activities for Energy Reserves Group in the central Colorado Plateau area. Presently, Gary is the Director of IRC Capital Group, an investment arm of International Royalty Corporation. Gary holds a Ph.D. from the Colorado School of Mines.

John McNeice, CA, CPA (Illinois)

Chief Financial Officer & Corporate Secretary

Mr. McNeice currently acts as a financial consultant to emerging private and junior public companies. Previously, from 1990 to 2003, he had thirteen years of public accounting experience with PricewaterhouseCoopers LLP where he specialized in servicing private and public technology and life science companies. Mr. McNeice is both a Chartered Accountant and a Certified Public Accountant (Illinois) and holds an Honours Bachelor of Commerce degree. He is also Chief Financial Officer of Patrician Diamonds Inc., Phoenix Matachewan Mines Inc. and Aura Silver Resources Inc. (all since September, 2004).

Harold Backer, B. Sc.

Vice-President, U.S. Operations

Mr. Backer is the Company's Vice President, U.S. Operations. He has his BS degree in Geology from Colorado State University and did his graduate studies in geology at New Mexico Institute of Mining and Technology, and received a Certificate of Financial Management from the University of Denver. He has over 38 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 Ltd., Chevron Resources Company and as Sr. VP Exploration for Goldbelt Resources Ltd. 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.

Wayne Heili, B.Sc. Met. Eng.

Vice-President, Engineering

Mr. Heili is the Company's Vice President, Engineering. He has had a career spanning more than 19 years providing 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 (ISR) projects from January 1998 until February 2004. Since then, Mr. Heili acted as a consultant for such companies as High Plains Uranium, Inc., Energy Metals Corporation and Behre Dolbear as well as owned and managed an independent franchise location of a major water treatment company. His experience includes conventional and ISR uranium processing facility operations. Mr. Heili received a Bachelor of Science degree in Metallurgical Engineering from Michigan Technological University, with a mineral processing emphasis.

As at March 21, 2007, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercised control or direction over 1,750,000 common shares, representing approximately 2.4% of the Company'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 Company and has been furnished by the directors and executive officers individually.

None of the directors or officers of the Company 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 issuer 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 Company 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 Company 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 text of the Audit Committee terms of reference, adopted on March 24, 2006, by the Company's Board of Directors is attached hereto as Schedule "A".

Composition of the Audit Committee

As of January 4, 2007, the Audit Committee of the Company was composed of the following three members: Paul Macdonell, Chair, Robert Boaz and Gary Huber. Prior to Mr. Huber becoming a member of the Audit Committee, James Franklin was a member of the Audit Committee.

The Board of Directors believes that the composition of the Audit Committee reflects financial literacy and expertise. Currently, Paul Macdonell, Robert Boaz and Gary Huber have been determined by the Board to be "independent" and "financially literate" as such terms are defined under Canadian securities laws and stock exchange rules. The Board has made these determinations based on the education as well as breadth and depth of experience of each member of the Committee. The following is a brief summary of the education and experience of each member of the Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Paul Macdonell, B. Public Admin.

Mr. Macdonell is a Senior Mediator, Federal Mediation and Conciliation Services 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 of the Union from 1991 to 1995. Mr. Macdonell was Municipal Councillor for the City of Cumberland from 1978 to 1988 and was on the City's budget committee from 1978 to 1988. Mr. Macdonell holds bachelor degree in Public Administration, University of Western Ontario and a Certificate in Economic Development, University of Waterloo.

Robert Boaz, M. Economics, Hon. BA

Mr. Boaz has 18 years in the investment banking business after a career in the power and natural gas industry working in management positions for Ontario Hydro, Saskatchewan Power and Consumers Gas. He has held senior management positions in a number of firms in the investment industry with direct responsibilities related to research, portfolio management, institutional sales and investment banking. From 2004 to March 2006, Mr. Boaz was Managing Director Investment Banking with Raymond James Ltd. in Toronto. From 2000 to 2004 Mr. Boaz was Vice President and Head of Research and in-house portfolio strategist for Dundee Securities. Mr. Boaz holds a masters degree in Economics, York University and an honours bachelor degree from McMaster University.

Gary Huber, Ph.D

Mr. Huber is a mining company executive with over 30 years of diversified natural resource experience. Gary was a founder of Canyon Resources Corporation, currently a gold company which was initially formed for the purpose of uranium exploration in the western United States. During the period from 1979 to 2006 he held various positions with Canyon including: Director, Chief Financial Officer, and Vice President-Finance. He was also President and CEO of Canyon's industrial minerals subsidiary which operated and sold functional fillers and specialty products from two processing facilities and three mines. Prior responsibilities in the 1970's have included uranium property acquisition, exploration and production activities for Energy Reserves Group in the central Colorado Plateau area. Presently, Gary is the Director of IRC Capital Group, an investment arm of International Royalty Corporation. Gary holds a Ph.D. from the Colorado School of Mines.

Reliance on Certain Exemptions

The Company has relied on the exemption in Section 3.2 (Initial Public Offerings) in Multilateral Instrument 52-110. At the time of the Company's initial public offering, the Company had only one independent director on its Audit Committee, Paul Macdonell. In March 2006, the Company appointed another independent director Robert Boaz who was also appointed to the Audit Committee. The Company appointed a third independent director, Gary Huber, to the Audit Committee in January 2007.

Pre-Approval Policies and Procedures

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 Committee to pre-approve permitted non-audit services. The Audit 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 Auditor Service Fees

Audit Fees

Audit fees of \$60,000 related to the audit of the consolidated financial statements for the period from January 1, 2006 to December 31, 2006 were paid in 2007 and audit fees of \$32,500 for the period from January 1, 2005 to December 31, 2005 were paid in 2006.

Audit-Related Fees

Audit-related fees of \$41,565 for services related to financing activities for the period January 1, 2006 to December 31, 2006 were paid in 2007 and audit-related fees of \$67,500 for the period January 1, 2005 to December 31, 2005 were paid in 2006 for services related to the Company's initial public offering.

Tax Fees

There were fees of \$71,967 for tax services for the fiscal year ended December 31, 2006 and there were no fees for tax services for the fiscal year ended December 31, 2005.

All Other Fees

There were no other fees incurred for the fiscal year ended December 31, 2006 or the fiscal year ended December 31, 2005.

CONFLICTS OF INTEREST

Certain of the Company's directors and officers also serve as directors and officers of one or more of Aura Silver Resources Inc., Phoenix Matachewan Mines Inc. and Patrician Diamonds Inc. Each of which are TSX Venture Exchange listed 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 each company. Phoenix Matachewan Mines Inc. is in the business of gold and precious metal exploration in Canada and the United States. Patrician explores for diamonds in Canada and Aura Silver Resources Inc. is in the silver and gold exploration business in Canada, Mexico and the United States.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or officers of the Company or any shareholder holding 10% or more of the outstanding common shares, or any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any material transaction since the incorporation of the Company or in any proposed transaction which has or may materially affect the Company.

The former Chairman and CEO and director of the Corporation, Mr. Robin Dow owns 50% of the issued and outstanding shares in the capital of Cornerstone Capital Corporation ("Cornerstone"). Pursuant to an agreement between the Company and Cornerstone, which has been terminated, the Company had agreed to reimburse Cornerstone for up to \$500 per month in expenses incurred by Cornerstone for office services, if as or when such funds were available.

Certain of the directors and/or officers of the Company are also directors and/or officers of other natural resource companies. See "Conflicts of Interests". 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 Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, at meetings of the board of directors of the Company, 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

Equity Transfer & Trust Company is the Company's registrar and transfer agent. The register of the transfers of the common shares of the Company are located at 120 Adelaide St W, Suite 420, Toronto, Ontario M5H 4C3.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts entered into by the Company for the fiscal year ending December 31, 2006 which are material or entered into before the fiscal year ending December 31, 2006 but are still in effect are the following:

1. Membership Interest Purchase Agreement dated as of June 30, 2005 between the Company and New Frontiers Uranium, LLC. On June 30, 2006, the Company made its required payment to New Frontiers Uranium LLC of US\$5,000,000 under the Membership Interest Purchase Agreement entered into between the Company and New Frontiers Uranium LLC on June 30, 2005. Additional payments are due on the second, third and fourth anniversaries of the closing date. Ur-Energy USA may elect to prepay the amount outstanding prior to any of the anniversary dates with an adjustment in the interest due and payable.
 2. Option Agreement dated as of July 20, 2005 between the Company, Ur-Energy USA Inc. and Dalco Inc. ("Dalco"). Under the agreement, Ur-Energy USA has the right to acquire the final 25% interest (for a total of a 100% interest) on or before December 3, 2007 by the payment to Dalco of US\$150,000 and the issuance to Dalco by the Company of an additional 150,000 common shares; subject to Dalco retaining a production royalty of 3% of the total gross proceeds received by Ur-Energy USA from U₃O₈ extracted by processing uranium ore from the seven unpatented mineral claims forming the Radon Springs Property.
 3. Agency Agreement dated November 17, 2005 between the Company, Raymond James Ltd., Canaccord Capital Corporation and Haywood Securities Inc. to offer common shares of the Company in connection with the Company's initial public offering.
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4. Escrow Agreement dated November 17, 2005 between the Company, Equity Transfer Services Inc., and certain present and former principal directors and officers of the Company and their spouses to escrow certain securities at the time of the Company's initial public offering. Described under the heading "Escrowed Securities".
5. Agreement dated January 11, 2006 between the Company and Mr. Robin Dow regarding certain severance and termination arrangements for Mr. Dow.
6. Termination Agreement dated February 24, 2006 between the Company and Patrician Diamonds Inc. terminating the letter of intent dated May 24, 2005 regarding certain properties at Dismal Lake, Nunavut. Described under "History".
7. Underwriting Agreement dated August 4, 2006 between the Company and GMP Securities L.P., Dundee Securities Corporation and Raymond James Ltd. (collectively, the "Underwriters"). Pursuant to the Underwriting Agreement, the Underwriters offered to purchase from the Company, and the Company agreed to issue and sell to the Underwriters, 7,500,000 common shares of the Company. The associated bought deal, which was announced August 30, 2006, is described under "History".
8. Agency Agreement dated December 14, 2006 between GMP Securities L.P. (the "Agent") and the Company, to offer 500,000 flow-through common shares of the Company at a price of \$5.00 per share.
9. Employment Agreement dated January 1, 2007 between W. William Boberg and the Company providing for the terms of employment for Mr. Boberg as President and Chief Executive Officer of the Company and related severance provisions.
10. Employment Agreement dated January 1, 2007 between Jeffrey Klenda and the Company providing for the terms of employment for Mr. Klenda as Executive Chairman of the Company and related severance provisions.
11. Employment Agreement dated January 1, 2007 between Harold Backer and the Company providing for the terms of employment for Mr. Backer as Vice President, US Operations of the Company and related severance provisions.
12. Employment Agreement dated February 19, 2007 between Wayne Heili and the Company providing for the terms of employment for Mr. Heili as Vice President, Engineering of the Company and related severance provisions.

INTERESTS OF EXPERTS

As of March 21, 2007, none of the directors, officers, principals and associates of Scott Wilson Roscoe Postle Associates Inc. (formerly Roscoe Postle Associates Inc.), the author of the Company's technical reports under National Instrument 43-101 for the Great Divide Basin Project, the Shirley Basin Project, and the Kaycee and Shamrock Projects, the Technical Report –Lost Creek and Technical Report – Lost Soldier own beneficially, directly or indirectly, or exercise any control over, any of the outstanding common shares of the Company.

As of March 21, 2007, J. D. Charlton, P. Geo., of Charlton Mining Exploration Inc., the author of the Company's technical reports under National Instrument 43-101 for the Hornby Project and the Technical Report – Thelon Property beneficially holds 10,000 common shares received as partial consideration for the Bugs Property and options for 24,000 common shares of the Company. As of March 21, 2007, the shares and the options, if exercised for common shares, represent less than 0.1% of the issued and outstanding common

shares of the Company. Mr. Charlton was granted these options on November 17, 2005 and entered into an acquisition agreement with the Company in September 2006, each after preparation of his technical reports.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Upon request to the Corporate Secretary of the Company at the Company's registered office, 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, the Company will provide any person with a copy of:

- (a) this annual information form;
- (b) the management information circular prepared by the Company in connection with its annual and special meeting of shareholders to be held on May 18, 2007;
- (c) any of the Company's unaudited interim reports to shareholders issued after December 31, 2006; 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 Company.

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 Company or any securities of the Company 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 Company 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 Company's securities and options to purchase securities, where applicable, is contained in the management information circular prepared by the Company in connection with its annual and special meeting of shareholders to be held on May 18, 2007. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2006.

SCHEDULE “A”

UR-ENERGY INC.

AUDIT COMMITTEE – TERMS OF REFERENCE

The purpose of the Audit Committee shall be to assist the Board in its oversight of the integrity of the financial statements of the Company, of the Company’s compliance with legal and regulatory requirements, of the independence and qualification of the independent auditors, and of the performance of the Company’s internal audit function and independent auditors.

CHAIR

The Board appoints or re-appoints the Chair of the Committee annually when it completes the appointments for all Board committee members following the Annual General Meeting of shareholders. In selecting the Chair, the Board takes into consideration those directors who bring background skills and experience relevant to financial statement review and analysis. The Chair shall also be “financially literate” as such term is defined under applicable Canadian regulatory requirements.

The Chair shall provide leadership to Committee members in fulfilling the mandate set out in these terms of reference. He or she shall work with the Chief Executive Officer and the Chairman of the Board, liaising with the Secretary, in planning Committee meetings and agendas. The Chair of the Committee reports to the Board on behalf of the Committee on the matters and issues covered or determined at each Committee meeting.

RESPONSIBILITIES

In assisting the Board in fulfilling its responsibilities relating to the Company’s corporate accounting and reporting practices the Audit Committee shall:

1. review and discuss with management and the independent auditors the annual audited financial statements, the quarterly financial statements, Management’s Discussion and Analysis accompanying such financial statements and any other matter required to be reviewed under applicable legal, regulatory or stock exchange requirements, and report thereon to the Board;
 2. review the results of the external audits and any changes in accounting practices or policies and the financial statement impact thereof;
 3. review the Annual Information Form and report thereon to the Board;
 4. review the terms of engagement and audit plans of the external auditors and determine through discussion with the auditors that no restrictions were placed by management on the scope of their examination or on its implementation;
 5. assess management’s programs and policies regarding the adequacy and effectiveness of internal controls over the accounting and financial reporting system within the Company;
 6. recommend to the Board a firm of independent auditors for appointment by the shareholders and report to the Board on the fees and expenses of such auditors. The Committee shall have the authority and responsibility to select, evaluate and if necessary replace the independent auditors. The Committee shall have the authority to approve all audit engagement fees and terms and the Committee, or a member of the Committee, must review and pre-approve any non-audit service
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provided to the Company by the Company's independent auditors and consider the impact on the independence of the auditors;

7. enquire into and report regularly to the Board, with associated recommendations, on any matter referred to the Committee;
8. discuss with management and the independent auditors, as appropriate, earnings press releases and any financial information and earnings guidance provided to analysts and rating agencies;
9. discuss with management and the independent auditors, as appropriate, any audit problems or difficulties and management's response, and the Company's risk assessment and risk management policies, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure;
10. obtain and review at least annually a formal written report from the independent auditors delineating the auditing firm's procedures for reviewing internal controls and any material issues raised by (i) the auditing firm's internal quality-control reviews, (ii) peer reviews of the firm, or (iii) any governmental or other inquiry or investigation relating to any audit conducted by the firm. The Committee will also review steps taken by the auditing firm to address any findings in any of the foregoing reviews. Also, in order to assess auditor independence, the Committee will review at least annually all relationships between the independent auditors and the Company;
11. prepare and publish an annual Committee report in the Company's proxy circular;
12. conduct an annual self-evaluation in respect of the effectiveness of the Committee;
13. set clear hiring policies for employees or former employees of the independent auditors; and
14. establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall hold *in camera* sessions without members of management as frequently as is determined necessary by the Committee members.

The Committee shall have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

The Committee shall meet separately with the Company's independent auditors at least on an annual basis and more often as is determined necessary by the Committee members.

The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Committee Composition: Three or more members, all of whom by November 2006 shall be independent directors under the standards of applicable stock exchange rules and pursuant to Multilateral Instrument 52-110 *Audit Committees*. All members shall have sufficient financial experience, financial literacy and ability to enable them to discharge their responsibilities.

Quorum: Majority of members.

UR-ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2006
(Information as at March 21, 2007 unless otherwise noted)

Introduction

The following provides management's discussion and analysis of results of operations and financial condition for the years ended December 31, 2006 and 2005. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on March 21, 2007.

This discussion and analysis should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2006 and 2005. The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles. 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 ("NFU"), ISL Resources Corporation ("ISL"), 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".

Forward-Looking Statements

This Management Discussion and Analysis may contain or refer to certain forward-looking statements relating to expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, those listed in the "Risk Factors" section of the Company's Annual Information Form dated March 21, 2007 which is filed on SEDAR, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration or development requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Potential shareholders and prospective investors are also cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and

specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company is focused on uranium exploration in the following areas: (i) Wyoming, USA where the Company has eleven properties. Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin; (ii) South Dakota, USA where the Company has acquired certain mineral leases in Harding County, known as the Harding property; (iii) the Thelon Basin, Northwest Territories in northern Canada where it has three properties known as Screech Lake, Eyeberry and Gravel Hill; (iv) Hornby Bay, Nunavut in northern Canada where it has two properties known as Dismal Lake West and Mountain Lake; and, (v) the Bugs property in the Kivalliq region of Nunavut, Canada.

Selected Annual Information

The following table contains selected annual financial information for the years ended December 31, 2006 and 2005; the period from March 22, 2004 to December 31, 2004 and cumulative information from inception of the Company on March 22, 2004 to December 31, 2006.

	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$	Period from March 22, 2004 to December 31, 2004 \$	Cumulative from March 22, 2004 to December 31, 2006 \$
Revenue	Nil	Nil	Nil	Nil
Total expenses	(6,027,109)	(2,038,099)	(335,111)	(8,400,319)
Stock based compensation included in expenses	(2,648,533)	(406,852)	(28,125)	(3,083,510)
Foreign exchange gain (loss)	(177,141)	908,942	(13,461)	718,340
Loss before income taxes	(5,574,526)	(1,002,472)	(337,385)	(6,914,383)
Recovery of future income taxes	514,000	277,000	105,000	896,000
Net loss for the period	(5,060,526)	(725,472)	(232,385)	(6,018,383)
Loss per common share: Basic and diluted	(0.09)	(0.02)	(0.02)	
Cash dividends per common share	Nil	Nil	Nil	
	As at December 31, 2006 \$	As at December 31, 2005 \$	As at December 31, 2004 \$	
Total assets	73,479,712	45,183,532	8,081,041	
New Frontiers obligation	14,713,495	18,558,352	Nil	
Long-term future income tax liability	2,188,000	1,455,500	1,417,500	

The Company has not generated any revenue from its operating activities from inception to date. The Company's expenses include costs for management fees, promotion, regulatory authority and transfer agent fees, professional fees, general and administrative costs, general exploration expense, write-off of deferred exploration expenditures and amortization of capital assets. The Company has recorded significant stock based compensation costs which are included in management fees, promotion and general and administrative costs or capitalized as a component

of deferred exploration expenditures. Costs directly related to exploration projects are initially capitalized as either mineral exploration property costs or deferred exploration expenditures.

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 available funds will be invested to finance new and existing exploration and development activities and to satisfying the New Frontiers obligation.

Summary of Quarterly Financial Information

The following table contains summary quarterly financial information for each of the eight most recently completed quarters. This information is derived from the Company's unaudited interim financial statements.

	Quarter ended December 31, 2006 \$ (unaudited)	Quarter ended September 30, 2006 \$ (unaudited)	Quarter ended June 30, 2006 \$ (unaudited)	Quarter ended March 31, 2006 \$ (unaudited)	Quarter ended December 31, 2005 \$ (unaudited)	Quarter ended September 30, 2005 \$ (unaudited)	Quarter ended June 30, 2005 \$ (unaudited)	Quarter ended March 31, 2005 \$ (unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total expenses	(1,482,215)	(1,603,745)	(1,662,728)	(1,278,421)	(889,312)	(455,728)	(359,938)	(333,121)
Foreign exchange gain (loss)	(643,589)	5,519	482,118	(21,189)	66,264	843,579	(3,646)	2,745
Income (loss) before income taxes	(1,867,532)	(1,454,370)	(1,050,564)	(1,202,060)	(783,018)	395,328	(322,933)	(291,849)
Recovery of future income taxes	242,000	32,000	130,000	110,000	96,000	49,000	42,000	90,000
Net income (loss) for the period	(1,625,532)	(1,422,370)	(920,564)	(1,092,060)	(687,018)	444,328	(280,933)	(201,849)
Earnings (loss) per common share – Basic & diluted	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	0.01	(0.01)	(0.00)

The Company was incorporated on March 22, 2004 and commenced activity during the second quarter of 2004. Cash based expenses have increased in each quarter as we have grown our Company. Our spending on promotion, professional fees and general and administrative costs has grown in each quarter. General growth in costs has been driven by our acquisition of uranium property assets in Wyoming and by increased Company promotion activities. The Company commenced recording significant charges related to stock option compensation in the fourth quarter of 2005 amounting to \$263,336. During calendar 2006, the Company recorded total expenses of \$1,491,179 related to stock option charges across the four quarters. During the second quarter of 2006, the Company recorded a value of \$567,000 related to common shares provided as a performance bonus to the President and CEO of the Company.

The Company has recorded significant non-cash foreign exchange gains and losses with respect to the promissory note payable to New Frontiers Uranium LLC ("New Frontiers") which is a monetary liability denominated in United States dollars ("New Frontiers obligation"). A non-cash gain of \$861,000 was recorded in the third quarter of 2005 as the Canadian dollar

strengthened considerably relative to the United States dollar during that quarter. This gain was recorded in income and resulted in the Company reporting net income for the third quarter of 2005. An unrealized gain of \$758,596 was recorded in the second quarter of 2006 and an unrealized loss of \$649,788 was recorded during the fourth quarter of 2006. The Company will continue to experience gains and losses on this obligation with future changes in the United States / Canada foreign exchange rate.

Commencing in the fourth quarter of 2004, the Company began to recognize a non-cash future income tax recovery related to accumulating tax losses in Canada. The Company is able to recognize such a recovery quarterly given that the Company has accumulated future income tax credits that it is able to offset for accounting purposes. These future income tax credits arose on the ISL Resources Corporation asset acquisition in the fourth quarter of 2004 and as a result of flow-through share tax benefits renounced during the fourth quarters of 2006, 2005 and 2004.

Overall Performance and Results of Operations

The Company has advanced its plans rapidly from incorporation on March 22, 2004 to date. From inception to December 31, 2006, the Company has raised total net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants, compensation options and stock options of \$57.1 million. As at December 31, 2006, the Company held cash and cash equivalents of \$28.7 million and had made significant investments in mineral exploration properties and exploration expenditures.

Mineral Exploration Properties and Deferred Exploration Expenditures

During the year ended December 31, 2006, the Company expended cash of \$6,397,279 (2005 - \$7,137,529) on mineral exploration property costs. A significant component of these costs, being \$5,609,750 (US \$5,000,000) (2005 - \$6,085,332 / US \$5,000,000) related to the first anniversary payment of the New Frontiers obligation during June of 2006 and to the Company's initial payment upon acquisition of NFU Wyoming LLC during June of 2005. Excluding the New Frontiers payment, other property costs consisted primarily of claim renewal and claim staking costs with respect to the Wyoming properties of \$377,602 and the acquisition of South Dakota mineral leases with respect to the Harding project of \$158,431. During the year ended December 31, 2005, the Company expended cash of \$979,777 on staking and the acquisition of state mining leases related to its Wyoming properties.

In connection with the acquisition of NFU, the Company initially recorded a total property asset of \$24,515,832. Consideration provided for the asset acquisition comprised the initial cash payment of \$6,085,332, with the balance being financed with a promissory note payable to New Frontiers. Since incurring this obligation, the Company has capitalized a total of \$3,004,389 in non-cash interest cost to the acquired Wyoming property assets.

During the year ended December 31, 2006, the Company capitalized exploration expenditures totaling approximately \$6.4 million. During 2006, the majority of spending was on development of the Lost Soldier and Lost Creek projects. In total, \$4,356,110 or 68% was spent related to geology, environmental permitting, engineering hydrology and drilling with respect to development of the Lost Soldier and Lost Creek projects in Wyoming. In addition, a total of \$1,573,649 or 25% was spent on geology, geophysics, geochemistry and environmental permitting primarily for the Company's Screech Lake project in the Thelon Basin.

During the year ended December 31, 2005, the Company expended cash of \$3,792,336 on

exploration. Of that total approximately 57% focused on our Wyoming properties, 33% on our Thelon Basin projects and 10% on our Hornby Bay projects. A detailed discussion of spending by property is provided below.

Wyoming Properties

New Frontiers Projects

On March 6, 2005, the Company entered into a letter of intent with New Frontiers (the "New Frontiers LOI"). The Company completed its due diligence requirements under the New Frontiers LOI during June of 2005 and entered into the Membership Interest Purchase Agreement ("MIPA") effective June 30, 2005 with New Frontiers Uranium LLC.

Under the terms of the MIPA the Company acquired a 100% interest in NFU which holds the majority of the Company's Wyoming property assets, including the Lost Creek and Lost Soldier projects in the Great Divide Basin, for total consideration of \$24,515,832 (US \$20,000,000). In late June of 2006, the Company made the required first anniversary payment under the MIPA. Additional payments are due on the second, third and fourth anniversary dates of the closing date.

Upon acquisition at June 30, 2005, NFU controlled 99 claims plus three State of Wyoming leases covering five separate project areas. Since that time, additional unpatented mining claims have been staked or acquired in the Great Divide Basin and Shirley Basin as follows: Lost Creek (155), Lost Soldier (19) and North Hadsell (117), Bootheel (168) and Buck Point (107). During the third quarter of 2005, the Company initiated the permitting process to develop the Lost Creek and Lost Soldier projects as mines. From its initiation to December 31, 2006, the Company has incurred a total of \$1,620,827 with respect to environmental permitting and consulting costs and in engineering hydrology costs related to these two projects. During the fourth quarter of 2006 permitting and hydrology costs were \$564,373. During the 2006 field season, AATA International Inc. completed extensive baseline data collection surveys within the 9.1 square mile (2,363 hectare) area of both the Lost Creek and Lost Soldier projects. This work consisted of examining soils and vegetation, archaeological examinations and wetland area, wildlife, threatened and endangered species, and aquatic ecology surveys. Currently, AATA is finalizing background radiological gamma surveys for both properties.

During October 2005, the Company commenced in-fill drilling and analytical studies on the Lost Creek and Lost Soldier projects in order to verify the results of historic work. At Lost Creek, this confirmation drilling program consisted of 12 holes totaling 9,600 feet (2,926 meters). At Lost Soldier, this confirmation drilling consisted of 5 holes totaling 1,957 feet (596 meters). Drilling costs during the fourth quarter of 2005 with respect to both programs totaled \$186,607.

During August 2005, the Company entered into a data purchase agreement related to its Lost Soldier project. The data acquired consisted of historic drill hole geophysical logs, lithology logs, drill hole maps and geologic cross sections. Total consideration paid for these geologic data was \$475,960 (US \$400,000). Under the terms of the data purchase agreement, the Company provided the seller a 1% royalty on future uranium and associated minerals produced from the related properties.

In early June 2006, the Company announced results of two Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101") compliant resource estimations that disclose significantly increased resources on its Lost Creek and Lost Soldier projects from the relevant historic resources. In connection with these results, on July 26, 2006, the Company announced

that it had filed updated technical reports prepared by C. Stewart Wallis, P. Geo., of Roscoe Postle Associates in accordance with NI 43-101 in respect of both its Lost Soldier and Lost Creek projects. Total report preparation costs during 2006 were \$25,480.

On April 6, 2006, the Company announced it had entered into an agreement with Energy Metals Corporation (“Energy Metals”) to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock and Chalk Hills projects to Energy Metals for Energy Metals’ holdings in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals’ 28 unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company’s 356 unpatented “F” mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with 2 unpatented “Rita” mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a ½% royalty on future production of uranium from the properties. The fair value of these properties is not reliably determinable; therefore, the accumulated historic costs of the Shamrock and Chalk Hills projects have been recorded as the accounting basis of the Bootheel property received. Historic property costs related to the Shamrock and Chalk Hills projects was \$332,090 and deferred exploration costs with respect to the projects was \$91,980.

On June 16, 2006, the Company entered into a data purchase agreement related to the Bootheel project area. The Company paid \$99,209 (US \$90,000) related to the acquisition of this data. The data acquired relates to historic drill hole geophysical logs, lithologic logs, drill hole maps and geologic cross sections. Under the terms of the agreement, the Company will provide the seller with a 1% royalty on future uranium and associated minerals produced from the property.

During the year ended December 31, 2006, the Company expended \$1,904,086 (2005 - \$879,767) on geology work for its Lost Creek and Lost Soldier projects. This geology work has followed from work conducted during 2005 which included detailed geologic evaluation on the specific projects that have major resource potential and internal calculations of resources were completed. Detailed stratigraphic and sedimentological studies as well as the evaluation of the uranium mineralization using the drill hole data base were initiated and are ongoing to better define the nature of the deposits on these two major resource properties. Because the historic data was developed prior to the common use of computers, the Company has put significant effort into converting the exploration data into digital data to enable more efficient exploration of the project areas.

During the year ended December 31, 2006, the Company incurred drilling and related costs of \$1,006,087 (2005 - \$186,607) with respect to the Lost Creek and Lost Soldier projects. During 2006, thirty-four wells, seventeen on each project, were drilled for subsurface water quality, baseline and pump test studies. Pump tests began in late October 2006.

During 2007, the Company anticipates that development costs with respect to permitting, engineering hydrology and technical operational costs, particularly for its Lost Creek and Lost Soldier projects, will continue to be significant as the Company continues its efforts to move these projects toward production. In addition, exploration programs are planned for the North Hadsell project in the Great Divide Basin in order to add additional resources to the anticipated production pipeline from the Lost Creek and Lost Soldier projects.

Radon Springs Project

On February 3, 2005, the Company entered into a letter of intent with Dalco, Inc. (the "Dalco LOI"). Under the terms of the Dalco LOI, the Company had an option to acquire seven unpatented mineral claims, land and exploration records, and other data related to the Radon Springs project in the Great Divide Basin in Wyoming (collectively the "Radon Springs Property") in a staged acquisition. The Company paid Dalco US \$25,000 upon signing the Dalco LOI and acquired the first 25% interest in the Radon Springs Property by issuing 25,000 common shares on June 3, 2005.

On July 20, 2005, the Company and Dalco concluded a definitive agreement (the "Dalco Agreement"). Under the terms of the Dalco Agreement, the Company increased its interest in the Radon Springs Property to 50% by providing an additional US \$50,000 and 50,000 common shares during November 2005. The Company increased its interest to 75% by providing an additional US \$100,000 and 100,000 common shares in November 2006. The Company has the right to acquire the final 25% interest by providing an additional US \$150,000 and 150,000 common shares on or before December 3, 2007, subject to Dalco retaining a production royalty of 3% on the total gross proceeds received by the Company on the sale of U₃O₈ ("Yellowcake") extracted from uranium ores located on the seven mineral claims acquired. The Company has the exclusive right to manage and operate the Radon Springs Property and is responsible for 100% of the exploration and development expenditures and land holding costs on the Radon Springs Property.

During the due diligence period and up to September 2005, the Company was active in staking of various mining claims related to the Radon Springs project and conducting geology work and related analysis on the data base relating to prior exploration activity on the Radon Springs Property.

The Company acquired seven unpatented mining claims in total from Dalco that covered the majority of the historic mineralized area. The Company has staked directly an additional block of 224 unpatented mining claims to solidify its holdings within the project area, including some additional adjacent areas, for a total land holding of approximately 4,800 acres. In total, the Company has expended a total of \$280,726 on staking and land recording costs for the Radon Springs project.

As part of the Dalco acquisition, the Company acquired the historic exploration and development database of more than 2,200 drill holes and accompanying drill logs, maps, cross sections, and miscellaneous data. During the year ended December 31, 2005, detailed stratigraphic and sedimentological evaluations and evaluation of the uranium mineralization were conducted utilizing the drill hole data base for in-house geologic studies. Because the historic data were developed prior to the common use of computers, the Company has put significant effort into converting the exploration data into digital form to enable more efficient exploration of the project.

An exploration program is planned for the Radon Springs project in the Great Divide Basin in order to add additional resources to the anticipated production pipeline from the Lost Creek and Lost Soldier projects.

Kaycee and Shamrock Projects

The Company's Wyoming properties included the Kaycee and Shamrock projects. As noted above, on April 6, 2006, the Company announced it had entered into an agreement with Energy Metals to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock and Chalk Hills projects to Energy Metals for its holdings in the Bootheel project area. Under the terms of the agreement, Energy Metals and the Company have granted one another a ½% royalty on future production of uranium from the properties.

On October 19, 2004, the Company acquired ISL Resources Corporation, a Canadian company with a wholly-owned Wyoming subsidiary, ISL Wyoming Inc. The fair value of identifiable net assets acquired in the acquisition of \$2,520,972 was allocated to exploration and drill data relating to Wyoming projects including the Kaycee and Shamrock projects. Subsequent to the acquisition, the Company initiated geology work on the acquired data and commenced staking of various claim groups.

During the year ended December 31, 2005, the Company conducted ongoing geology and data analysis work. Additionally, a NI 43-101 report confirming the relevance of historic resources was initiated on the Kaycee and Shamrock Projects and was completed in April 2005.

At Kaycee, the Company has staked a total of 282 unpatented mining claims for a total of approximately 5,800 acres while at Shamrock the Company had staked a total of 356 unpatented mining claims for a total of approximately 7,400 acres. As part of the acquisition of these projects the Company acquired a database for Kaycee that includes data from over 4,400 drill holes as well as 1998 airborne geophysical surveys covering both the Kaycee and Shamrock Projects. During the year ended December 31, 2005, detailed stratigraphic and sedimentological evaluations and also evaluation of the uranium mineralization were initiated on the Kaycee Project along with work to tie the subsurface data to the airborne geophysical survey. At Shamrock, field visits to study the outcrop were completed and a drill hole database of 33 drill holes plus map data were acquired. Evaluation of these data was ongoing up to the time of the property swap with Energy Metals. A majority of work on the projects to date has involved the conversion of old analog exploration data to modern digital form.

Assets acquired from ISL also included an extensive database of over 2,700 drill hole logs, geologic maps, cross sections, reports, feasibility and engineering studies for the Allemand-Ross project in the Southwest Powder River Basin area. During 2006, this database was converted to a digital format and is now being evaluated for its economic potential. In addition, the database acquired from ISL also included a variety of miscellaneous data from several states which has yet to be evaluated.

Toby, Arrow, UFO and Eagles Nest Projects

On June 19, 2006, the Company completed an acquisition of four claim groups in the Great Divide Basin of Wyoming, consisting of a total of 130 unpatented mining claims (approximately 2,700 acres) from John Wells of Wyoming. Subsequently, on September 29, 2006, the Company acquired 82 additional unpatented mining claims from John Wells relating to these claim groups. In total these four claim blocks comprise approximately 4,400 acres. All four claim blocks are in areas of previous exploration drill programs for uranium conducted during the 1970s and early 1980s.

The initial acquisition of 130 unpatented mining claims was purchased for an aggregate consideration of 250,000 common shares of the Company which were valued at \$515,000. The additional 82 unpatented mining claims were acquired for cash consideration of US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and from a one-mile area of interest surrounding the properties.

These new projects have been designated: (i) the Toby project comprised of 21 claims, located east of the Kennecott Sweetwater mill and originally drilled by the Union Oil subsidiary Minerals Exploration Company; (ii) the Arrow project comprised of 9 claims in the western Great Divide Basin; (iii) the UFO project comprised of 10 claims located south of the Company's Lost Creek project; and (iv) the Eagles Nest project comprised of 172 claims (initial 90 plus subsequent 82 claims) located east of the Company's Lost Creek project.

An exploration program is planned for the Eagles Nest project in the Great Divide Basin in order to add additional resources to the anticipated production pipeline from the Lost Creek and Lost Soldier projects.

South Dakota Property

Harding Project

During October 2006, the Company acquired 79 State of South Dakota Mineral Leases containing approximately 46,363 acres in Harding County, northwest South Dakota for cash consideration of \$158,431. A detailed geologic evaluation of the project area has commenced. Historic exploration drilling for uranium in this region has been very limited. A drilling program is tentatively planned for later 2007.

Canadian Properties

Thelon Basin Properties

The Company's Thelon Basin properties include the Screech Lake, Eyeberry and Gravel Hill properties located in the Northwest Territories, Canada and consisted of 72 claims which the Company staked during the period ended December 31, 2004. During November 2005, an additional 4 claims were staked for the Screech Lake claim group to cover airborne electromagnetic targets identified. During the third quarter of 2006, the Company allowed 9 claims relating to the Eyeberry project to lapse. Total claims for the Thelon properties presently total 67.

During 2005, a NI 43-101 report was completed on the Thelon claim groups by J.D. Charlton (P. Geo). Also during this period, a contract geophysical field crew conducted time domain electromagnetic (PROTEM), magnetic, and VLF-EM surveys. In April of 2005, the Company contracted Fugro Airborne Surveys Corp. to fly a major airborne electro-magnetic survey (MEGATEM) for the Thelon Basin projects that cost a total of \$433,200. In late July of 2005, flying related to this survey was completed. Total costs for geophysics on the Thelon Basin projects were \$782,791 during 2005.

During August of 2005, a field program was initiated consisting of prospecting and a soil and water radon survey over the anomalous parts of Screech Lake. Previous work performed by

Urangesellschaft during the period from 1975 to 1979 had indicated very high radon and helium in and around Screech Lake. Anomalous contents of both gases are indicators of the presence of buried uranium mineralization. This field work was completed during the third quarter of 2005. Total costs for these geochemical surveys were \$250,866.

During the year ended December 31, 2006 the Company incurred costs of \$437,335 with respect to additional ground geophysics for the Screech Lake property and \$406,827 of geochemistry costs with respect to additional radon survey work. Ground geophysics fieldwork was completed during the second quarter and radon survey work was completed during the third quarter. Additionally, the Company incurred ongoing geology costs of \$395,409. In July 2006, an environmental screening study was completed on the Screech Lake Project. In September 2006, an application for a land use permit to conduct drill testing of the Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board for environmental assessment. This assessment was completed on February 28, 2007 and a report from the Review Board is anticipated in April 2007. During the year ended December 31, 2006 environmental permitting and related costs totaled \$334,078. The land use permit is required in order to commence drilling on the Screech Lake property which is anticipated during the 2007 field season. Current work plans include further surface radon sampling, additional ground geophysical surveys and drilling which are budgeted at \$2.0 million for 2007.

Hornby Bay Properties

The Company's Hornby Bay properties include the West Dismal Lake and Mountain Lake claim groups located in Nunavut, Canada and consist of a total of 58 claims.

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc. ("Patrician"), a TSX Venture Exchange listed company that is a related company. Under the terms of the letter of intent, the Company was to earn an 80% interest in the uranium rights in Patrician's property at Dismal Lake, Nunavut, by paying Patrician \$50,000 to cover property staking costs, 400,000 common shares of the Company (with 100,000 common shares due upon signing a formal agreement, 100,000 common shares due on the first anniversary date and 200,000 common shares due on the second anniversary date) and by spending \$1 million in exploration over three years. Additionally, under the terms of the agreement, Patrician was to obtain the right to potential diamond opportunities on the Company's Dismal Lake claim groups. Patrician was to earn up to an 80% interest in the diamond potential of those claims by spending \$1 million on exploration over three years. During August 2005, the Company paid \$50,000 for staking cost reimbursement and provided 100,000 common shares.

The Company and Patrician Diamonds Inc. subsequently agreed by mutual consent to terminate the arrangement for the Dismal Lake property. Pursuant to the terms of the cancellation agreement, as at December 31, 2005, the Company had reflected the return of 100,000 common shares and had accrued an amount receivable for \$50,000 with respect to the staking reimbursement. The Company was obligated to reimburse Patrician for actual costs incurred of \$37,448. All amounts were paid during the first quarter. Upon termination of the agreement, the Company recorded a write-off of deferred exploration costs for the property totalling \$54,250.

A field visit was conducted in the fall of 2004 on both claim groups to verify the claim staking and to prospect an area known to have radioactive boulders near Dismal Lake.

During the year ended December 31, 2005, a NI 43-101 report was prepared by J. D. Charlton covering the Hornby claim groups. In April of 2005, the Company contracted for airborne GEOTEM electromagnetic and magnetic surveys, with Fugro Airborne Surveys Limited, for the Hornby Bay properties, which were completed during June of 2005. These surveys cost a total of \$352,837 and are included in geophysics for the Hornby Bay properties. The surveys succeeded in locating one strong and three weaker bedrock source anomalies on the Dismal West property. A field examination of the conductors and magnetic anomalies was carried out during September 2005.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation (“Triex”) with respect to its Mountain Lake and West Dismal properties. The Mountain Lake property comprises 41 claims and the West Dismal property comprises 17 claims. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and was required to spend \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option to obtain a 100% interest in the properties, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Bugs Property

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunuvut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. Following acquisition of the Bugs property, the Company contracted for an airborne magnetic and radiometric survey which was conducted by Tundra Airborne Surveys. Costs for this survey totaled \$28,133. For the 2007 field season, the Company has budgeted approximately \$500,000 for mapping, prospecting and radon sampling with respect to the Bugs property.

Expenses

Total expenses for the year ended December 31, 2006 were \$6,027,109 (2005 - \$2,038,099). Total expenses include management fees (including contractor share charges) provided to the Company’s former Chairman and Chief Executive Officer of \$323,500; costs incurred with respect to Company promotion of \$584,931; regulatory authority and transfer agent fees of \$96,699; professional fees relating to legal, accounting, audit, taxation and investment banking services of \$923,875; general and administrative costs relating to Company finance, administration and each of the corporate offices including stock based compensation for stock options and contractor shares of \$3,576,829; general exploration expenses of \$433,206; a write-off of deferred exploration during the fourth quarter of \$53,212; and amortization of capital assets of \$34,857.

For the year ended December 31, 2006, the Company recorded significant non-cash stock based compensation charges related to contractor shares, stock options and with respect to a common share performance bonus provided to the President and Chief Executive Officer of the Company.

In total, expenses recorded related to these stock based incentives were \$2,648,533 (2005 - \$406,852). These non-cash charges to expense represent approximately 44% of total expenses and approximately 52% of net loss for the year in 2006. Significant components of this total include \$248,000 recorded in management fee expense related to contractor shares provided to the former Chairman and Chief Executive Officer of the Company and \$567,000 recorded in general and administrative expense relating to the performance bonus of 300,000 common shares awarded to the existing President and CEO of the Company which were fully vested at grant. Additionally, a total expense of \$1,491,179 was charged to expense for stock options provided to directors, officers and contractors of the Company.

During the third quarter of 2006, vesting of the balance of 613,679 common shares issuable under service contracts with officers, directors and contractors of the Company were accelerated. Total expense related to contractor shares for 2006 was \$590,354. Presently, the Company does not have any ongoing contracts whereby shares are issuable for service.

During the first quarter, on January 12, 2006, the Company announced that its former Chairman and CEO and its President had both resigned with the former President assuming the role of Vice President, Canadian Exploration. In connection with arrangements with the former Chairman and CEO, the Company agreed to make the unvested balance of 400,000 contractor shares held immediately available. The balance of unvested contractor shares of the Company's former President totaling 246,154 were made immediately available. As a result, during the first quarter of 2006, \$289,846 of the total stock based compensation charges relate to these arrangements with the former Chairman and CEO and the former President.

In general, expenses in all categories have increased when comparing the year ended December 31, 2006 to 2005. The primary reasons for this include: increased promotion costs related to attendance at industry conferences and related travel; increased regulatory fees associated with our public company listing and related regulatory costs; increased professional fees related to legal, accounting, taxation and investment banking for public company compliance and general corporate matters; increased general administrative costs relating to our Denver, Colorado office and to general corporate finance and administrative costs; increased general exploration costs as we continue to pursue various new prospects for the Company; and, significantly increased stock based compensation charges.

During the fourth quarter of 2006, the Company recorded a write-off of deferred exploration expenditures of \$53,212 related to the abandonment of a project in the Thelon project group. During 2005, the Company recorded a write-off of deferred exploration of \$54,250 related to the termination of the Dismal Lake option with Patrician Diamonds Inc. Future write-offs are possible depending on the outcome of ongoing exploration activities.

The Company will continue to incur significant charges related to stock based compensation as the fair value of its stock options granted is expensed over their 18 month vesting period. As at December 31, 2006, the total fair value of stock options, related to options outstanding as at December 31, 2006, to be recorded over the coming five quarters is approximately \$1.6 million. Charges to record the fair value of stock options give rise to both expenses and amounts capitalized to projects as deferred exploration.

Loss before Income Taxes, Recovery of Future Income Taxes and Net Loss

The Company invests cash and cash equivalents in liquid guaranteed investment certificates and 30 day short-term investments with a Canadian chartered bank. During 2006, these investments

have earned rates of return, varying with the size of the investment and the term, which ranged from 2.4% to 4.2% per annum. During the year ended December 31, 2006, the Company earned interest income on these investments of \$629,724 (2005 - \$126,685).

During the year ended December 31, 2006, the Company recorded a net foreign exchange loss of \$177,141. This includes an unrealized net gain of \$178,749 related to the New Frontiers obligation. During the third and fourth quarters of 2005, the Company recorded an unrealized foreign exchange gain totaling \$942,892 related to the New Frontiers obligation. The promissory note due to New Frontiers was issued on June 30, 2005 and is denominated in US dollars. The Company will continue to record foreign exchange gains or losses on this US denominated debt in income.

For the year ended December 31, 2006, the Company recorded a non-cash future income tax recovery of \$514,000 (2005 - \$277,000) related to net operating losses arising during the year in Canada. The recognition of this tax asset partially offset the balance of future tax liability that has arisen as a result of the Company's renouncement of flow-through share tax benefits and as a result of the Company's ISL Resources Corporation asset acquisition. Both the renouncement of flow-through share tax benefits and the ISL Resources Corporation asset acquisition result in the Company having exploration assets recorded at accounting values that exceed their tax values. As at December 31, 2006 this has given rise to a net long-term future income tax liability totaling \$2,188,000 (2005 - \$1,455,500).

Loss Per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2006 were \$0.09. (2005 - \$0.02) . For the year ended December 31, 2006 and 2005, 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 31, 2006, the Company had cash and cash equivalents of \$28,727,824 and working capital of \$22,488,294. The next annual payment of the New Frontiers obligation is due before June 30, 2007 and totals \$5,831,900 (US \$5,000,000). The Company can elect to repay the New Frontiers obligation in full and avoid additional interest charges. Full repayment prior to June 30, 2007 would total US \$11,250,000.

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares raising gross cash proceeds of \$2,500,000. On August 30, 2006, the Company completed a bought deal financing raising net cash proceeds of \$17,299,454. On August 2, 2006, the Company completed a private placement of flow-through common shares raising cash proceeds of \$500,500.

During the year ended December 31, 2006, the Company realized cash proceeds from the exercise of previously issued warrants, compensation options and stock options totaling \$12,733,749. During the same period, the Company invested cash of \$5,902,872 in mineral exploration properties and deferred exploration expenditures; made an annual payment of the New Frontiers obligation of \$5,609,750; and, used \$2,987,673 in operations.

As at December 31, 2006, substantially all of the previously outstanding warrants and compensation options had been exercised with a total of 162,876 warrants and 110,346

compensation options outstanding. Upon exercise these would provide maximum proceeds to the Company of \$333,383. Subsequent to year end, 156,209 warrants were exercised and 6,667 warrants expired unexercised. During January and February 2007, a total of 54,613 compensation options were exercised.

As at December 31, 2006, the Company had outstanding a total of 5,406,000 stock options with exercise prices ranging from \$1.25 to \$2.75. Upon exercise, these in-the-money stock options would provide maximum cash proceeds of \$9,144,500 to the Company.

During the year ended December 31, 2005, the Company raised net cash of \$14,307,895 related to the sale of common shares and warrants (including our IPO) and realized proceeds of \$4,409,635 from the exercise of warrants and compensation options. During 2005, the Company invested cash of \$10,929,865 in mineral exploration properties and deferred exploration expenditures and used \$1,703,145 in operations.

The Company has financed its operations from inception, to date, primarily through the issuance of equity securities and has no sources of cash flow from operations. On June 30, 2005, the Company concluded the MIPA with New Frontiers and has financed the balance of the purchase price by way of a promissory note. The Company's existing cash resources may not be sufficient to fund its planned exploration and development programs, payments due under the terms of the New Frontiers promissory note and other corporate costs over the coming year. The Company remains dependent on raising additional financing through the issuance of equity securities in secondary offerings and from the proceeds of outstanding convertible securities in order to fund future requirements of existing and new exploration and development projects, to service required payments of the New Frontiers promissory note and for other general corporate costs.

The Company's planned exploration scoping and pre-feasibility expenditures for existing projects require significant capital resources. Exploration data analysis is ongoing and will be completed in conjunction with field verification continuing into 2007. Environmental, permitting and engineering studies for the Lost Soldier and Lost Creek projects were initiated during the fourth quarter of 2005 and are presently projected to be completed by April 2007. Environmental permitting and environmental costs totaled \$1,098,124 during 2006 and engineering hydrology totaled \$347,813. These environmental and permitting studies have included hydrogeological modeling, regional hydrology studies and preliminary engineering of the ISL plant, wellfields and infrastructure requirements. Drilling costs totaled \$1,006,087 during 2006 and included drilling of wells for pump tests and monitoring, geophysical logging, water analysis, bonding, plugging of abandoned wells and other drilling expenses.

In Canada, for the Screech Lake property, ground geophysics and assessments were initiated during the 2005 season with additional ground geophysics and assessments completed during the spring and summer field season of 2006. Geophysics costs during 2006 totaled \$437,335. Additional radon surveys were completed in the third quarter of 2006 resulting in geochemistry costs of \$406,827. Permitting and related processes to allow for drilling on the Screech Lake project are ongoing and cost \$334,078 during 2006.

The Company optioned its Hornby Bay projects to Triex in April 2006. Under the terms of the option agreement, Triex was required to spend \$200,000 on exploration before September 22, 2006 and a further \$500,000 by September 30, 2007.

The Company's contractual obligations are summarized as follows:

Contractual Obligations	Payments Due by Period (All amounts in US dollars)				
	Total US \$	Less than 1 year US\$	1 to 3 years US\$	4 to 5 years US\$	After 5 years US\$
New Frontiers obligation ⁽¹⁾	15,000,000	5,000,000	10,000,000	-	-
Denver office operating lease ⁽²⁾	102,400	94,500	7,900	-	-
Total contractual obligations	15,102,400	5,094,500	10,007,900	-	-

Notes:

(1) The Company is obligated under the terms of a promissory note with New Frontiers Uranium LLC to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. The Company can prepay the balance due and avoid or reduce interest charges.

(2) The Company is committed to an operating lease for office premises in Denver, Colorado. This operating lease has a term extending to January 2008.

Financing Transactions

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000. These funds will be utilized to fund 2007 exploration spending for the Screech Lake and Bugs projects.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500. The proceeds of this offering were used primarily to fund the balance of the 2006 exploration program for the Screech Lake property.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants; a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares for the exercise of stock options. Total cash proceeds from these exercises were \$12,733,749.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to a total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 has been recorded as a reduction of capital stock during the year.

2005 issuances

On November 29, 2005, the Company completed its initial public offering pursuant to its final prospectus dated November 17, 2005. The Company issued 8,000,000 common shares at a price of \$ 1.25 per share. The net proceeds to the Company were \$8,572,451 after deducting all issue costs. Issue costs included a cash commission paid to the agents of \$750,000 as well as direct legal, accounting, printing and other costs. As additional compensation in connection with the offering, the Company granted the agents non-assignable compensation options, exercisable for 24 months following the closing of the offering, to purchase that number of common shares equal to 10% of the number of common shares issued pursuant to the offering. Canaccord Capital Corporation received a corporate finance fee of 60,000 common shares, being the number of common shares equal to \$75,000 at the initial offering price.

During the first quarter of 2005, the Company sold by way of private placement, additional common share units and flow-through common shares for gross proceeds totalling \$5,980,687. A total of 6,020,208 common share units were sold for gross proceeds of \$5,418,187. Each unit consisted of a common share and one common share purchase warrant exercisable at \$1.20 per share until March 1, 2007. Of the gross proceeds, \$1,685,658 was allocated to these warrants. Additionally, the Company sold 625,000 flow-through common shares for gross proceeds of \$562,500.

During the year ended December 31, 2005, a total of 6,609,150 common shares were issued pursuant to the exercise of warrants and 1,040,263 common shares were issued pursuant to the exercise of compensation options. Total cash proceeds from these exercises were \$4,409,635.

During the year ended December 31, 2005, the Company renounced flow-through share tax benefits relating to a total of \$873,750 raised through the issuance of flow-through common shares. The tax effect of \$315,000 has been recorded as a reduction of capital stock during the year.

Acquisition of NFU Wyoming LLC

Effective June 30, 2005, the Company concluded its acquisition of NFU Wyoming LLC. Under the terms of the purchase agreement, the Company acquired a 100% membership interest in NFU that holds the majority of the Company's Wyoming property assets, for total consideration of US \$20,000,000.

The Company is obligated to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. The Company can prepay the balance due and avoid or reduce interest charges. The Company has pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note. Potential payments are summarized as follows:

Prepayment Date	Interest Charge US \$	Full Prepayment Amount US \$	Scheduled Payment Date	Minimum Payment Required US \$
On or after June 30, 2006, but before June 30, 2007	1,250,000	11,250,000	June 30, 2007	5,000,000
On or after June 30, 2007, but before June 30, 2008	1,250,000	7,500,000	June 30, 2008	5,000,000
On or after June 30, 2008 up until June 30, 2009	2,500,000	5,000,000	June 30, 2009	5,000,000
	<u>5,000,000</u>			<u>15,000,000</u>

The purchase price of CDN \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation is recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due including interest at maturity. The effective interest rate is 12.04% . Accrued interest accumulated from acquisition to December 31, 2006 totals \$3,049,695 (US \$2,614,666) and has been capitalized to Wyoming mineral property assets. During the third and fourth quarters of 2005, the Company recorded an unrealized foreign exchange gain related to the New Frontiers obligation that totals \$942,892. During the year ended December 31, 2006, a net unrealized foreign exchange gain of \$178,749 was recorded related to the obligation.

Historic financial statements relating to this acquisition were not available. In the periods prior to the Company's acquisition, the assets were held by various of the New Frontiers principals and certain related entities either personally or in corporations. Combined financial statements of these entities are not available and all financial information required to create such financial statements is not available to the Company. Additionally, since the assets acquired were accumulated over a significant number of years and at times when different market conditions prevailed, management believes that the prior historic costs of most of the assets are not meaningful presently.

Acquisition of ISL Resources Corporation

The Company acquired all of the issued and outstanding shares of ISL Resources Corporation ("ISL") under the terms of an October 19, 2004 acquisition agreement (the "Initial ISL Agreement"). ISL Resources Corporation was a junior exploration company which had engaged in uranium exploration in the State of Wyoming in the United States. ISL was incorporated on February 27, 1998 under the laws of the Province of Ontario and has a wholly-owned Wyoming subsidiary, ISL Wyoming Inc. After completion of the Company's due diligence requirements, the amount of consideration and certain other terms and conditions of the Initial ISL Agreement were amended and restated by agreements finalized on April 19 and 21, 2005 (the "Amending ISL Agreements").

Under the terms of the Initial ISL Agreement and the Amending ISL Agreements, the consideration provided for the acquisition was comprised of 4,350,000 common shares and

500,000 common share purchase warrants having an exercise price per share of \$0.75 and expiring on December 1, 2006. The common shares were recorded at a value of \$1,522,500 and the warrants were recorded at a value of \$75,000. The acquisition has been accounted for as an asset purchase reflecting the impact of the Amending ISL Agreements.

The purchase price of \$1,597,500 was allocated to the identifiable tangible and intangible assets acquired based on their fair market value. Exploration and drill data acquired with respect to the Wyoming properties was assigned a value of \$2,520,972, net current liabilities of \$15,972 and future income tax liability of \$907,500. Given that the asset acquisition was transacted as a share-for-share exchange, the Company has a tax basis in the acquired assets that is significantly lower than the fair value of the share consideration provided. Generally accepted accounting principles require that the net assets acquired be recorded at their pre-tax fair value. This resulted in the Company recording a future tax liability of \$907,500.

Historic financial statements of ISL Resources Corporation are not available. ISL was inactive from 2001 up until the Company acquired ISL. Financial statements were not prepared for these inactive periods. The historic cost of ISL's retained assets, comprised of the exploration and drill data acquired by the Company, had a negligible book value. ISL incurred only negligible general and administrative costs during the inactive period from 2001 through to 2004. Management believes that, if historic financial statements of ISL were available they would not provide additional meaningful information.

Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options, compensation option warrants and stock options as at February 28, 2007, December 31, 2006 and December 31, 2005 is as follows:

	February 28, 2007	December 31, 2006	December 31, 2005
Common shares	73,949,874	73,475,052	47,204,040
Warrants	6,667	162,876	13,090,560
Compensation options	55,733	110,346	1,448,250
Compensation option warrants	-	-	588,250
Stock options	5,942,000	5,406,000	4,375,000
Fully diluted shares outstanding	79,954,274	79,154,274	66,706,100

Stock options

Subsequent to year end on January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012.

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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and the New Frontiers obligation. Unless otherwise noted, except for the New Frontiers obligation, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments, except for the New Frontiers obligation, approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The New Frontiers obligation is denominated in United States dollars. The Company is exposed to foreign exchange risk on this liability. The Company has not entered into any foreign exchange contract to mitigate this risk. As at December 31, 2006, management believes that the fair value of the New Frontiers obligation approximates its carrying value as the liability is recorded at the present value of its set future cash payments utilizing the effective interest rate method.

Transactions with Related Parties

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. During February 2006, the Company and Patrician mutually agreed to cancel this arrangement and unwind the transaction.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Presently no specific transactions have advanced beyond an early evaluation stage.

Critical Accounting Policies and Estimates

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. When production is attained, these costs will be amortized. If properties are abandoned they are written off at that time. If properties are considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Management uses its best estimates for determining the fair value of mineral properties based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

The Company is required to record all equity instruments including warrants, 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 estimate the expected volatility of the Company's stock over the future life of the equity instrument and to estimate the expected life of the equity instrument. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results and by comparison to other companies in the uranium exploration and development segment.

Changes in Accounting Policies Including Initial Adoption

The Company did not change or adopt any new accounting policies during the financial year ended December 31, 2006.

In January 2005, the Canadian Institute of Chartered Accountants issued Handbook Sections 3855 "Financial Instruments – Recognition and Measurement", 1530 "Comprehensive Income" and 3865 "Hedges". These new standards apply to fiscal years commencing on or after October 1, 2006. The Company is currently assessing the impact, if any, these standards will have on the Company's financial reporting.

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators) and concluded that the Company's disclosure controls and procedures were effective as of December 31, 2006 and in respect of the 2006 year end reporting period.

Internal Controls

No changes have occurred in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 dated March 21, 2007 which is filed on SEDAR.

Other Information

Other information relating to the Company may be found on the SEDAR website at www.SEDAR.com.

Corporate Information

Directors and Officers

Jeffrey T. Klenda, B.A., CFP – Chairman and Director
W. William Boberg, M. Sc., P. Geo. – President, CEO and Director
Harold Backer, B. Sc. – Vice President, US Operations
Wayne Heili, B. Sc. – Vice President, Mining
Eric Craigie, B. Sc. – Senior Vice-President, Exploration and Director
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – VP, Canadian Exploration and Director
James M. Franklin, PhD, FRSC, P. Geo. – Chief Scientist and Director
Paul Macdonell, B. Public Admin. – Director, Audit and Compensation Committee Chair
Robert Boaz, M. Econ., Hons. BA – Director
Gary Huber, PhD – Director
John McNeice, B. Comm., CA, CPA – Chief Financial Officer and Corporate Secretary

Corporate Offices

United States Headquarters:

10758 West Centennial Road, Suite 200
Ken Caryl Ranch (Littleton), Colorado 80127
Phone: (720) 981-4588

Canadian Exploration Office:

341 Main Street North, Suite 206
Brampton, Ontario L6X 3C7
Phone: (905) 456-5436

Registered and Principal Administrative Office:

1128 Clapp Lane, PO Box 279
Manotick (Ottawa), Ontario K4M 1A3
Phone: (613) 692-7704

Web Site

www.ur-energy.com

Trading Symbol

TSX: URE

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa

Corporate Legal Counsel

McCarthy Tetrault, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Equity Transfer Services Inc., Toronto

Form 52-109F1 - Certification of Annual Filings

I, John McNeice, of **Ur-Energy Inc.** as Chief Financial Officer, certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the period ending December 31, 2006;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the annual filings are being prepared;
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
 - c. evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: March 30, 2007

(signed) "John McNeice"

John McNeice
Chief Financial Officer

Form 52-109F1 - Certification of Annual Filings

I, W. William Boberg, of **Ur-Energy Inc.** as President & Chief Executive Officer, certify that:

1. I have reviewed the annual filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the period ending December 31, 2006;
2. Based on my knowledge, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the annual filings;
3. Based on my knowledge, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the annual filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the annual filings are being prepared;
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
 - c. evaluated the effectiveness of the issuer's disclosure controls and procedures as of the end of the period covered by the annual filings and have caused the issuer to disclose in the annual MD&A our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on such evaluation; and
5. I have caused the issuer to disclose in the annual MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: March 30, 2007

(signed) "W. William Boberg"

W. William Boberg
President & Chief Executive Officer

CONSENT OF AUTHOR

To: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission

I, C. Stewart Wallis, P. Geo., the author of the following reports: (i) Technical Report on Great Divide Basin Uranium Properties, Wyoming dated June 15, 2005 and revised October 20, 2005; (ii) Technical Report on the Shirley Basin Uranium Properties, Wyoming on June 20, 2005 and revised October 20, 2005, (iii) Technical Report on the Kaycee and Shamrock Uranium Properties, Wyoming, dated October 20, 2005, (iv) Technical Report on the Lost Creek Project, Wyoming, dated June 15, 2006, and (v) Technical Report on the Lost Soldier Project, Wyoming, dated July 10, 2006 (collectively, the "Reports") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Annual Information Form of Ur-Energy Inc. dated March 21, 2007 for the fiscal year ended December 31, 2006 (the "AIF").

I certify that I have read the AIF 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated March 29, 2007



C. Stewart Wallis P. Geo.



Charlton Mining Exploration Inc.
2020 Brentwood, St-Lazare de Vaudreuil, Qc. J7T 2G5
Phone/Fax: 450.455.2850 E-Mail: charltonex@bellnet.ca

CONSENT OF AUTHOR

To: Ur-Energy Inc.
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission

I, J. D. Charlton, P. Geo., the author of the following reports (i) Technical Report on the Gravel Hill, Screech, and Eyeberry Properties together comprising the Thelon Project, dated February 25, 2005 with revisions on June 22, 2005 and October 20, 2005; and (ii) Technical Report on the Mountain Lake and Dismal West Properties together comprising the Hornby Project, dated January 31, 2005 with revision on October 20, 2005 (collectively, the "Reports") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Annual Information Form of Ur-Energy Inc. dated March 21, 2007 for the fiscal year ended December 31, 2006 (the "AIF").

I certify that I have read the AIF 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated March 29, 2007.



J. D. Charlton, P. Geo.

FEE RULE

FORM 13-502F1

CLASS 1 REPORTING ISSUERS -- PARTICIPATION FEE

Reporting Issuer Name: Ur-Energy Inc.

Fiscal year end date used to calculate capitalization: December 31, 2006

Market value of listed or quoted securities:

Total number of securities of a class or series outstanding as at the issuer's most recent fiscal year end	(i)	
		<u>73,475,052</u>
Simple average of the closing price of that class or series as of the last trading day of each month of the fiscal year (See clauses 2.11(a)(ii)(A) and (B) of the Rule)	(ii)	
		<u>2.68</u>
Market value of class or series	(i) X (ii) =	(A) <u>196,913,139</u>
(Repeat the above calculation for each class or series of securities of the reporting issuer that was listed or quoted on a marketplace in Canada or the United States of America at the end of the fiscal year)		(B) <u>n/a</u>
<u>Market value of other securities:</u> (See paragraph 2.11(b) of the Rule) (Provide details of how value was determined)		(C) <u>n/a</u>
(Repeat for each class or series of securities)		(D) <u>n/a</u>
Capitalization (Add market value of all classes and series of securities)	(A) + (B) + (C) + (D) =	<u>196,913,139</u>
Participation Fee (From Appendix A of the Rule, select the participation fee beside the capitalization calculated above)		<u>\$6,700</u>

New reporting issuer's reduced participation fee, if applicable
(See section 2.6 of the Rule)

Participation fee	X	Number of entire months remaining		
		in the issuer's fiscal year	=	n/a
	12			

Late Fee, if applicable (As determined under section 2.5 of the Rule)				n/a
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Ur-Energy Inc.
(a Development Stage Company)
Consolidated Financial Statements
December 31, 2006 and 2005
(expressed in Canadian dollars)

Auditors' Report
To the Shareholders of Ur-Energy Inc.

We have audited the consolidated balance sheets of **Ur-Energy Inc.** as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended and for the cumulative period from March 22, 2004 to December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended and the cumulative period from March 22, 2004 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

March 21, 2007, except for Note 15 which is as at December 28, 2007

Comments By Auditors for U.S. Readers on Canadian – U.S. Reporting Differences

In the United States, reporting standards for auditors require the addition of an explanatory paragraph following the opinion paragraph when the financial statements are affected by conditions and events that cast substantial doubt on the Company's ability to continue as a going concern, such as those described in note 1 to the consolidated financial statements. Our report to the shareholders dated March 21, 2007 is expressed in accordance with Canadian reporting standards which do not permit a reference to such conditions and events in the auditors' report when they are adequately disclosed in the financial statements.

/s/ PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

March 21, 2007, except for Note 15 which is as at December 28, 2007

Ur-Energy Inc.
(a Development Stage Company)
Consolidated Balance Sheets

(expressed in Canadian dollars)

	December 31, 2006	December 31, 2005
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	28,727,824	824,897
Short-term investments	–	9,830,000
Amounts receivable	80,376	151,082
Prepaid exploration costs and expenses	148,243	98,700
	28,956,443	10,904,679
Bonding and other deposits (note 3)	166,151	120,098
Capital assets (note 4)	152,316	–
Mineral exploration properties (note 5)	30,652,405	26,975,063
Deferred exploration expenditures (note 5)	13,552,397	7,183,692
	44,523,269	34,278,853
	73,479,712	45,183,532
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	636,249	359,124
Current portion of New Frontiers obligation (note 7)	5,831,900	5,830,000
	6,468,149	6,189,124
New Frontiers obligation (note 7)	8,881,595	12,728,352
Future income tax liability (note 9)	2,188,000	1,455,500
	17,537,744	20,372,976
Shareholders' equity		
Capital stock (note 6)	59,236,406	22,243,625
Warrants (note 6)	45,604	2,431,702
Contributed surplus (note 6)	2,678,341	1,093,086
Deficit	(6,018,383)	(957,857)
	55,941,968	24,810,556
	73,479,712	45,183,532

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

Approved by the Board of Directors

(signed) Jeffrey Klenda Director

(signed) Paul Macdonell Director

Ur-Energy Inc.
(a Development Stage Company)
Consolidated Statement periods years of Operations and Deficit

(expressed in Canadian dollars)

	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$	Cumulative from March 22, 2004 to December 31, 2006 \$
Expenses			
Management fees	323,500	188,890	589,106
Promotion	584,931	577,022	1,275,977
Regulatory authority and transfer agent fees	96,699	23,503	124,028
Professional fees	923,875	246,114	1,203,570
General and administrative	3,576,829	823,957	4,485,632
General exploration expense	433,206	124,363	579,687
Write-off of mineral property and deferred exploration expenditures	53,212	54,250	107,462
Amortization of capital assets	34,857	–	34,857
	<u>(6,027,109)</u>	<u>(2,038,099)</u>	<u>(8,400,319)</u>
Interest income	629,724	126,685	767,596
Foreign exchange gain (loss)	(177,141)	908,942	718,340
	<u>452,583</u>	<u>1,035,627</u>	<u>1,485,936</u>
Loss before income taxes	(5,574,526)	(1,002,472)	(6,914,383)
Recovery of future income taxes (note 9)	514,000	277,000	896,000
Net loss for the period	(5,060,526)	(725,472)	(6,018,383)
Deficit – Beginning of period	(957,857)	(232,385)	–
Deficit – End of period	(6,018,383)	(957,857)	(6,018,383)
Loss per common share:			
Basic and diluted	<u>(0.09)</u>	<u>(0.02)</u>	
Weighted average number of common shares outstanding:			
Basic and diluted	<u>59,463,626</u>	<u>33,354,456</u>	

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

Ur-Energy Inc.

(a Development Stage Company)

Consolidated Statement periods years of Cash Flow

(expressed in Canadian dollars)

	Year ended December 31, 2006	Year ended December 31, 2005	Cumulative from March 22 2004 to December 31, 2006
	\$	\$	\$
Cash provided by (used in)			
Operating activities			
Net loss for the period	(5,060,526)	(725,472)	(6,018,383)
Items not affecting cash –			
Stock-based compensation	2,648,533	406,852	3,083,510
Amortization of capital assets	34,857	–	34,857
Write-off of mineral property and deferred exploration expenditures	53,212	54,250	107,462
Unrealized foreign exchange gain	(178,749)	(942,892)	(1,121,641)
Recovery of future income taxes	(514,000)	(277,000)	(896,000)
Change in non-cash working capital items –			
Amounts receivable	70,706	(101,924)	(80,376)
Prepaid exploration costs and expenses	(49,543)	(88,700)	(148,243)
Accounts payable and accrued liabilities	7,837	(28,259)	236,414
	<u>(2,987,673)</u>	<u>(1,703,145)</u>	<u>(4,802,400)</u>
Investing activities			
Mineral exploration property costs	(787,529)	(7,137,529)	(8,185,848)
Deferred exploration expenditures	(5,115,343)	(3,792,336)	(9,439,964)
Purchase of short-term investments	(3,000,000)	(9,830,000)	(12,830,000)
Sale of short-term investments	12,840,000	–	12,840,000
Increase in bonding and other deposits	(46,053)	(120,098)	(166,151)
Purchase of capital assets	(187,173)	–	(187,173)
	<u>3,703,902</u>	<u>(20,879,963)</u>	<u>(17,969,136)</u>
Financing activities			
Issuance of common shares and warrants for cash	20,351,499	15,980,687	42,173,318
Share issue costs	(288,800)	(1,672,792)	(2,207,592)
Proceeds from exercise of warrants, compensation options and stock options	12,733,749	4,409,635	17,143,384
Payment of New Frontiers obligation	(5,609,750)	–	(5,609,750)
	<u>27,186,698</u>	<u>18,717,530</u>	<u>51,499,360</u>
Net change in cash and cash equivalents	<u>27,902,927</u>	<u>(3,865,578)</u>	<u>28,727,824</u>
Cash and cash equivalents – Beginning of period	<u>824,897</u>	<u>4,690,475</u>	<u>–</u>
Cash and cash equivalents – End of period	<u>28,727,824</u>	<u>824,897</u>	<u>28,727,824</u>

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

(expressed in Canadian dollars)

1 Nature of operations and going concern Nature of operations

Ur-Energy Inc. (the "Company") is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Going concern

These consolidated financial statements have been prepared using generally accepted accounting principles applicable to a going concern which assumes that the Company will be able to continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several conditions cast substantial doubt on the validity of this assumption. From inception to date, the Company has incurred losses from operations, has had negative cash flow from operating activities and has invested an aggregate cash amount of \$23.2 million in mineral properties and exploration. As at December 31, 2006, the Company had cash and cash equivalents totalling \$28.7 million, but the Company also has a significant exploration and development program requiring ongoing investments in its uranium exploration and development properties and expenditures for seeking and evaluating additional properties. Additionally, the Company is obligated to make payments under a promissory note related to the acquisition of certain of its Wyoming, USA properties. As at December 31, 2006, the balance of the New Frontiers obligation is \$14.7 million (US \$12.6 million). Ultimately, the Company's ability to continue as a going concern is dependent on raising additional financing, development of its properties and the generation of profits from operations in the future.

While management has been successful in obtaining sufficient funding for its operating, capital, development and exploration requirements from the inception of the Company to date, there is, however, no assurance that additional future funding will be available to the Company, or that, when it is required, it will be available on terms which are acceptable to management.

These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

(expressed in Canadian dollars)

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 Corporation Act on August 7, 2006. These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries Ur-Energy USA Inc., NFU Wyoming 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".

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. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments 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 include investments which have a term to maturity at the time of purchase in excess of ninety days. These investments are readily convertible into cash.

Capital assets

Capital assets are initially recorded at cost and are then amortized using the declining balance method at the following annual rates: computers at 30%, software at 50%, office furniture at 20%, field vehicles at 30% and field equipment at 30%.

(expressed in Canadian dollars)

Mineral exploration property and deferred exploration expenditures

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. The interest cost of debt directly attributable to the financing of mineral property acquisitions is capitalized during the exploration and development period. When production is attained, these costs will be amortized. If properties are abandoned or sold, they are written off. If properties are considered to be impaired in value, the costs of the properties and related deferred expenditures are written down to their estimated fair value at that time. Expenditures of a general reconnaissance nature are expensed to general exploration in the statement of operations and deficit.

Stock-based compensation

All stock-based payments made to employees and non-employees are accounted for in the financial statements. Compensation cost is measured at the grant date based on the fair value of the reward and compensation expense is recognized over the related service period. Compensation cost recorded related to contractor shares and stock options is charged to expense or is capitalized to deferred exploration expenditures when related to direct exploration activities.

Flow-through shares

The Company has financed a portion of its 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 rates of exchange in effect when the assets were acquired or obligations incurred. Expenses are translated at exchange rates in effect at the date 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 that 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 when it is more likely than not that such assets will not be realized.

(expressed in Canadian dollars)

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.

3 Bonding and other deposits

Bonding and other deposits include \$107,832 (2005 – \$120,098) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Once the reclamation is complete, the bonding deposits will be returned to the Company.

4 Capital assets

	December 31, 2006		
	Cost	Accumulated amortization	Net value
	\$	\$	\$
Computers	31,347	5,544	25,803
Software	531	175	356
Office furniture	36,806	6,346	30,460
Field vehicles	114,212	21,646	92,566
Field equipment	4,277	1,146	3,131
	187,173	34,857	152,316

(8)

Ur-Energy Inc.
(a Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2006 and 2005

(expressed in Canadian dollars)

5 Mineral exploration properties and deferred exploration expenditures

	Canada			USA	Total
	Thelon	Hornby Bay	Bugs	Other Wyoming and South Dakota	
	\$	\$	\$	\$	\$
Mineral exploration properties					
Balance, December 31, 2004	212,166	33,149	–	15,475	260,790
Property acquisition costs	–	62,000	22,481,018	2,169,549	24,712,567
Property staking and claim costs	13,185	50,000	152,401	827,376	1,042,962
Interest capitalized	–	–	981,872	88,872	1,070,744
Cancellation of Dismal Lake option	–	(112,000)	–	–	(112,000)
Balance, December 31, 2005	225,351	33,149	23,615,291	3,101,272	26,975,063
Property acquisition costs	3,543	–	29,000	1,281,396	1,313,939
Property staking and claim costs	18,446	562	62,360	315,242	396,610
Interest capitalized	–	–	1,773,152	160,493	1,933,645
Triex Minerals Corporation option payment	–	(25,000)	–	–	(25,000)
Energy Metals swap	–	–	–	91,980	91,980
Write-off of mineral property costs	(33,832)	–	–	–	(33,832)
Balance, December 31, 2006	213,508	8,711	29,000	4,950,383	30,652,405
Deferred exploration expenditures					
Balance, December 31, 2004	442,447	27,151	–	2,601,020	3,070,618
Geology	329,522	62,258	934,677	420,608	1,747,065
Geophysical	782,791	352,837	37,309	–	1,172,937
Geochemistry	250,866	–	–	–	250,866
Permitting and environmental	–	–	174,890	–	174,890
Report preparation	9,629	21,055	28,894	32,683	92,261
Drilling	–	–	186,607	–	186,607
Sampling	–	–	33,874	–	33,874
Assaying	–	–	475	–	475
Data acquisition and related costs	–	–	491,152	17,197	508,349
Write-off of deferred exploration	–	(54,250)	–	–	(54,250)
Balance, December 31, 2005	1,815,255	409,051	1,887,878	3,071,508	7,183,692
Geology	395,409	11,620	4,455	1,904,086	2,577,860
Geophysical	437,335	300	28,133	31,378	497,146
Geochemistry	406,827	12,737	–	–	419,564
Permitting and environmental	334,078	–	1,098,124	128	1,432,330
Engineering hydrology	–	–	347,813	–	347,813
Reclamation	–	–	20,640	–	20,640
Project consulting	–	–	10,108	–	10,108
Report preparation	–	–	25,480	–	25,480
Drilling	240	–	1,006,087	–	1,006,327
Assaying	300	–	34,954	–	35,254
Surveying	–	–	–	8,334	8,334
Data acquisition and related costs	–	–	–	99,209	99,209
Energy Metals swap	–	–	–	(91,980)	(91,980)
Write-off of deferred exploration	(19,380)	–	–	–	(19,380)
Balance, December 31, 2006	3,370,064	433,708	32,588	6,366,548	13,552,397

(9)

(expressed in Canadian dollars)

Thelon

The Company's Thelon Basin projects include Screech Lake, Eyeberry and Gravel Hill and are located in the Northwest Territories, Canada. As at December 31, 2006, the Company abandoned its Hanbury project in the Thelon Basin. A write-off of property costs of \$33,832 and deferred exploration costs of \$19,380 were recorded.

Hornby Bay

The Company's Hornby Bay projects in Nunavut, Canada include the Dismal Lake and Mountain Lake claim groups.

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc. ("Patrician"), a TSX Venture Exchange listed company that is a related company. Under the terms of the letter of intent, the Company was to earn an 80% interest in the uranium rights in Patrician's property at Dismal Lake, Nunavut, by paying Patrician \$50,000 to cover property staking costs, 400,000 common shares of the Company (with 100,000 common shares due upon signing a formal agreement, 100,000 common shares due on the first anniversary date and 200,000 common shares due on the second anniversary date) and by spending \$1 million in exploration over three years. Additionally, under the terms of the agreement, Patrician was to obtain the right to potential diamond opportunities on the Company's Dismal Lake claim groups. Patrician was to earn up to an 80% interest in the diamond potential of those claims by spending \$1 million on exploration over three years. During August 2005, the Company paid \$50,000 for staking cost reimbursement and provided 100,000 common shares.

The Company and Patrician agreed by mutual consent to terminate the arrangement for the Dismal Lake property. Pursuant to the terms of the February 24, 2006 cancellation agreement, as at December 31, 2005, the Company has reflected the return of 100,000 common shares and had accrued an amount receivable for \$50,000 with respect to the staking reimbursement. The Company was obligated to reimburse Patrician for actual costs incurred of \$37,448. All amounts were paid during the first quarter of 2006. Upon termination of the agreement, the Company recorded a write-off of deferred exploration costs for the property totalling \$54,250.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and was required to spend \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option, and obtain a 100% interest, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

(expressed in Canadian dollars)

Bugs

The Bugs property is located in the Kivalliq region of Nunavut.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

United States, Wyoming and South Dakota

On February 3, 2005, the Company entered into a letter of intent with Dalco Inc. (the "Dalco LOI"). Under the terms of the Dalco LOI, the Company had an option to acquire certain patented and unpatented claims and land records for the property located in Wyoming, USA together with exploration records, drill log files and related data (collectively the "Radon Springs Property"). The Company paid Dalco US\$25,000 upon signing the Dalco LOI and the Company issued 25,000 common shares to Dalco in order to acquire a 25% interest in the Radon Springs Property. These common shares were issued on June 3, 2005.

On July 20, 2005, the Company concluded a definitive agreement with Dalco (the "Dalco Agreement"). Under the terms of the Dalco Agreement, the Company increased its interest in the Radon Springs Property to 50% by providing an additional US \$50,000 and 50,000 common shares during November 2005. During November 2006, the Company increased its interest to 75% by providing an additional US \$100,000 and 100,000 common shares. The Company has the right to acquire the remaining 25% interest, for a 100% interest, by providing an additional US \$150,000 and 150,000 common shares on or before December 3, 2007, subject to Dalco retaining a production royalty of 3% on the total gross proceeds received by the Company on the sale of U3O8 ("Yellowcake") extracted from uranium ores from the Radon Springs Property. The Company has the exclusive right to manage and operate the Radon Springs Property and is responsible for 100% of the exploration and development expenditures on the project.

On March 6, 2005, the Company entered into a letter of intent with New Frontiers Uranium LLC, a Colorado limited liability corporation (the "New Frontiers LOI"). Under the terms of the New Frontiers LOI, the Company was entitled to acquire certain Wyoming USA properties, subject to satisfactory completion of due diligence within 90 days after March 11, 2005. The Company completed due diligence requirements during June of 2005 and entered into definitive agreements effective June 30, 2005 (the "New Frontiers Agreements").

(expressed in Canadian dollars)

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC which holds the majority of the Company's Wyoming properties, including the Lost Creek and Lost Soldier projects, for total consideration of \$24,515,832 (US \$20,000,000) (see note 7). The Company has capitalized a total of \$3,004,389 of interest cost related to the New Frontiers obligation to the cost of the acquired properties. Interest capitalized during the year ended December 31, 2006 was \$1,933,645 (2005 –\$1,070,744).

On August 26, 2005, the Company entered into a data purchase agreement related to its Lost Soldier property. The data acquired consisted of historic drill hole geophysical logs, lithology logs, drill hole maps and geologic cross sections. Total consideration paid for these geologic data was \$475,960 (US \$400,000). Under the terms of the data purchase agreement, the Company provided the seller a 1% royalty on future uranium and associated minerals produced from the related properties.

On April 6, 2006, the Company announced it had entered into an agreement with Energy Metals Corporation (“Energy Metals”) to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock and Chalk Hills projects to Energy Metals for their holdings in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals’ unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company’s unpatented “F” mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with the unpatented “Rita” mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a 1/2% royalty on future production of uranium from the properties. The fair value of these properties is not reliably determinable; therefore, the accumulated historic costs of the Shamrock and Chalk Hills projects have been recorded as the accounting basis of the Bootheel property received. Historic property costs related to the Shamrock and Chalk Hills projects was \$332,090 and deferred exploration costs with respect to the projects was \$91,980.

On June 16, 2006, the Company entered into a data purchase agreement related to the Bootheel project area. The Company paid \$99,209 (US \$90,000) related to the acquisition of this data. The data acquired relates to historic drill hole geophysical logs, lithologic logs, drill hole maps and geologic cross sections. Under the terms of the agreement, the Company will provide the seller with a 1% royalty on future uranium and associated minerals produced from the property.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming, consisting of certain unpatented mining claims in four claim blocks. The Company purchased the properties for an aggregate consideration of 250,000 common shares of the Company. Additionally, on September 29, 2006, the Company acquired additional unpatented mining claims relating to one of these claim blocks for cash consideration of US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and from a one-mile area of interest surrounding the properties.

During October 2006, the Company acquired certain State of South Dakota Mineral Leases in Harding County, northwest South Dakota for cash consideration of \$158,431.

(expressed in Canadian dollars)

6 Capital stock

Authorized

The Company is authorized to issue an unlimited number of 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.

Issued

	Common Shares #	Amount \$	Warrants #	Amount \$
Common shares and warrants issued for cash, net of issue costs	18,844,500	4,059,124	11,966,000	1,242,323
Common shares and warrants issued for finders' fees	305,000	30,500	205,000	5,535
Common shares and warrants issued for acquisition of ISL Resources Corporation	4,350,000	1,522,500	500,000	75,000
Common shares issued for services	144,444	45,486	–	–
Tax effect of flow-through shares	–	(615,000)	–	–
Balance, December 31, 2004	23,643,944	5,042,610	12,671,000	1,322,858
Common shares and warrants issued for cash, net of issue costs	14,705,208	11,799,277	6,020,208	1,685,658
Exercise of warrants	6,609,150	4,595,478	(6,609,150)	(706,497)
Exercise of compensation options	1,040,263	606,795	1,008,502	129,683
Common shares issued for properties	75,000	75,500	–	–
Common shares issued for data acquired	22,000	13,640	–	–
Common shares issued for services	1,108,475	425,325	–	–
Tax effect of flow-through shares	–	(315,000)	–	–
Balance, December 31, 2005	47,204,040	22,243,625	13,090,560	2,431,702
Common shares issued for cash, net of issue costs	9,204,727	20,062,699	–	–
Exercise of warrants	13,483,134	13,701,383	(13,483,134)	(2,546,458)
Expired warrants	–	–	(32,800)	(4,350)
Exercise of compensation options	1,337,904	1,975,223	588,250	164,710
Exercise of stock options	106,500	206,152	–	–
Common shares issued for properties	360,000	990,000	–	–
Common shares issued for services	1,778,747	1,303,824	–	–
Tax effect of flow-through shares	–	(1,246,500)	–	–
Balance, December 31, 2006	73,475,052	59,236,406	162,876	45,604

(expressed in Canadian dollars)

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants, a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares were issued upon the exercise of stock options.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming. The Company purchased the properties for an aggregate consideration of 250,000 common shares which were valued at \$515,000.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issuable. These common shares were valued at \$29,000.

In November 2006, the Company issued 100,000 common shares pursuant to the terms of the Dalco Agreement in connection with the Company's Radon Springs Project in Wyoming. These common shares were valued at \$446,000.

A total of 1,778,747 common shares were issued for services to directors, officers and contractors of the Company.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to the entire total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 has been recorded as a reduction of capital stock during the year.

(expressed in Canadian dollars)

2005 issuances

On November 29, 2005, the Company completed its initial public offering pursuant to its final prospectus dated November 17, 2005. The Company issued 8,000,000 common shares at a price of \$ 1.25 per share. Gross proceeds to the Company were \$10,000,000 and the net proceeds were \$8,572,451 after deducting all issue costs. Issue costs included a cash commission paid to the agents of \$750,000 as well as direct legal, accounting, printing and other costs.

As additional compensation in connection with the initial public offering, the Company granted the agents non-assignable compensation options, exercisable for 24 months following the closing of the offering, to purchase that number of common shares equal to 10% of the number of common shares issued pursuant to the offering. Canaccord Capital Corporation received a corporate finance fee of 60,000 common shares, being the number of common shares equal to \$75,000 at the initial offering price.

During the first quarter of 2005, the Company sold by way of private placement, common share units and flow-through common shares for gross proceeds totalling \$5,980,687. A total of 6,020,208 common share units were sold for gross proceeds of \$5,418,187. Each unit consisted of a common share and one common share purchase warrant exercisable at \$1.20 per share until March 1, 2007. Of the gross proceeds, \$1,685,658 was allocated to these warrants. Additionally, the Company sold 625,000 flow-through common shares for gross proceeds of \$562,500.

During the year ended December 31, 2005, a total of 6,609,150 common shares were issued pursuant to the exercise of warrants and 1,040,263 common shares were issued pursuant to the exercise of compensation options.

During June and December of 2005, the Company issued a total of 75,000 common shares pursuant to the terms of the Dalco Agreement in connection with the Company's Radon Springs Project in Wyoming. These common shares were valued at a total of \$75,500. During August of 2005, the Company issued 100,000 common shares pursuant to the terms of the Patrician agreement. These common shares were valued at \$62,000. As at December 31, 2005, the Company has reflected the cancellation of these shares. During July of 2005, the Company issued a total of 22,000 common shares pursuant to three individual agreements for the acquisition of exploration data related to Wyoming properties. These common shares were valued at a total of \$13,640.

During the year ended December 31, 2005, the Company renounced flow-through share tax benefits relating to the entire total of \$873,750 raised through the issuance of flow-through common shares. The tax effect of \$315,000 has been recorded as a reduction of capital stock during the year.

(expressed in Canadian dollars)

Director, officer and contractor shares for service

The Company had approved the potential issuance of a total of 2,760,000 common shares to directors, officers and contractors of the Company to compensate for services provided to the Company under various service contracts. Vesting of the balance of 613,679 common shares issuable under these service contracts was accelerated during September of 2006. Including this final balance of contractor shares recorded during the third quarter, the Company has recorded a total of 1,478,747 common shares valued at \$736,824 with respect to these service contracts during the year ended December 31, 2006. Of that total, \$590,354 was charged to stock based compensation expense and \$146,470 was capitalized as deferred exploration expenditures.

On May 24, 2006, the Company issued a total of 300,000 common shares for service to the President and Chief Executive Officer of the Company as a performance bonus. The issuance of these common shares was approved by the Company's shareholders on May 17, 2006. These common shares were fully vested upon issuance and were valued at \$567,000. These common shares have been recorded as a stock based compensation expense in general and administrative expense.

During the year ended December 31, 2005, the Company recorded 1,108,475 vested shares having a value of \$425,325. Of that total, \$279,552 was charged to expense and \$145,773 was capitalized as deferred exploration expenditures.

Warrants

As at December 31, 2006, the Company had a total of 162,876 (December 31, 2005 – 13,090,560) common share warrants outstanding as follows:

Number	Exercise price	Expiry
	\$	
<u>162,876</u>	1.20	March 1, 2007

The fair value of warrants issued has been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. As at December 31, 2006, the remaining value allocated to outstanding warrants is \$45,604 (December 31, 2005 – \$2,431,702). The assumptions used for the valuation of warrants are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate 4% and an expected life of the warrants of two years.

(expressed in Canadian dollars)

Compensation options and compensation option warrants

The Company has provided compensation options to agents who refer investors to the Company. Compensation options are exercisable into equity instruments having the same attributes as those purchased by the referred investor. As at December 31, 2006, the Company had outstanding a total of 110,346 (December 31, 2005 – 1,448,250) compensation options exercisable at \$1.25 per share until November 29, 2007.

The fair value of compensation options issued has been estimated using the Black-Scholes option pricing model and this value has been presented as contributed surplus within shareholders' equity and recorded as a share issue cost. As at December 31, 2006 the balance allocated to compensation options is \$74,208 (December 31, 2005 – \$850,211). The assumptions used for the valuation of compensation options are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate of 4% and an expected life of the options of one to two years.

Stock options

On November 17, 2005, the Company's Board of Directors approved an initial grant of 4,375,000 options pursuant to the Company's stock option plan (the "Plan") to directors, officers and consultants of the Company. Initial options granted are exercisable at \$1.25 per share, the initial public offering price of the Company's common shares. These options have a five year life and expire on November 17, 2010. These stock options were determined to have a fair value at grant of \$0.67 per share. Under the terms of the Company's Plan, options generally vest with 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.

On March 24, 2006, the Company granted 75,000 stock options exercisable at \$2.01 per share. These stock options expire March 25, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.08 per share. On April 21, 2006, the Company granted 1,525,000 stock options exercisable at \$2.35. These stock options expire April 21, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.27 per share. On September 26, 2006, the Company granted 435,000 stock options exercisable at \$2.75. These stock options expire September 26, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.48 per share.

On January 12, 2006, in connection with the resignation of the Company's former Chairman and CEO, a total of 750,000 options were forfeit. Additionally, during the year ended December 31, 2006, a total of 147,500 stock options were forfeit.

During the year ended December 31, 2006, a total of 106,500 stock options were exercised providing cash proceeds of \$133,125.

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Activity with respect to stock options is summarized as follows:

	Number	Weighted average exercise price \$	Expiry
Granted on November 17, 2005	4,375,000	1.25	November 17, 2010
Outstanding, December 31, 2005	4,375,000	1.25	November 17, 2010
Forfeit during 2006	(897,500)	1.25	November 17, 2010
Exercised during 2006	(106,500)	1.25	November 17, 2010
Granted on March 24, 2006	75,000	2.01	March 25, 2011
Granted on April 21, 2006	1,525,000	2.35	April 21, 2011
Granted on September 26, 2006	435,000	2.75	September 26, 2011
Outstanding, December 31, 2006	5,406,000	1.69	November 17, 2010 to September 26, 2011

As at December 31, 2006 outstanding stock options are as follows:

Exercise price \$	Number of options	Options outstanding Weighted – average remaining contractual life (years)	Number of options	Options exercisable Weighted – average remaining contractual life (years)	Expiry
1.25	3,371,000	3.9	1,793,200	3.9	November 17, 2010
2.01	75,000	4.2	40,500	4.2	March 25, 2011
2.35	1,525,000	4.3	488,000	4.3	April 21, 2011
2.75	435,000	4.7	43,500	4.7	September 26, 2011
	5,406,000	4.1	2,365,200	4.0	

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As at December 31, 2006, a total of 5,406,000 stock options were outstanding with 2,365,200 options being vested with Plan participants. During the year ended December 31, 2006, the Company recorded a total of \$2,348,163 related to stock option compensation. Of that total, \$1,491,179 was charged to stock based compensation expense and \$856,984 was capitalized as deferred exploration expenditures. This amount is included in shareholders' equity as contributed surplus and is recorded as an expense or as deferred exploration expenditures. This value was determined using the Black-Scholes option pricing model with the following assumptions:

	2006	2005
Expected volatility	67% – 72%	100%
Expected option life (in years)	3.5 – 4.0	2.0
Risk-free interest rate	3.96% – 4.17%	4.0%
Expected dividend yield	0%	0%

Subsequent to year end on January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012.

Contributed surplus

Amounts recorded as contributed surplus in shareholders' equity relate primarily to the fair value of compensation options and to the fair value of stock options. Activity with respect to contributed surplus is summarized as follows:

	\$
Balance, December 31, 2004	243,075
Issuance of compensation options	819,297
Exercise of compensation options	(212,161)
Stock option charges	242,875
Balance, December 31, 2005	1,093,086
Exercise of compensation options	(694,436)
Stock option charges	2,348,163
Exercise of stock options	(72,822)
Expired warrants	4,350
Balance, December 31, 2006	2,678,341

(expressed in Canadian dollars)

7

New Frontiers obligation / Acquisition of NFU Wyoming LLC

On June 30, 2005, under the terms of the New Frontiers Agreements the Company acquired a 100% interest in NFU Wyoming LLC, a newly formed Wyoming limited liability corporation, holding certain Wyoming properties for total consideration of US \$20,000,000. The balance of the purchase price of US\$15,000,000 was payable by way of promissory note. The Company has pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note. As at December 31, 2006 and 2005, the New Frontiers obligation is as follows:

	December 31, 2006		December 31, 2005	
	Canadian	US	Canadian	US
	\$	\$	\$	\$
Principal	11,663,800	10,000,000	17,487,608	15,000,000
Accrued interest	3,049,695	2,614,666	1,070,744	916,254
	14,713,495	12,614,666	18,558,352	15,916,254
Less: current portion	(5,831,900)	(5,000,000)	(5,830,000)	(5,000,000)
	8,881,595	7,614,666	12,728,352	10,916,254

The Company paid the first anniversary instalment of US \$5,000,000 on June 28, 2006. Principal and interest instalments of US \$5,000,000 are due on the second and third anniversaries of the closing date followed by a final payment consisting of all remaining principal and interest falling due on the fourth anniversary of the closing date. The Company can prepay the balance due and avoid or reduce interest charges. If the New Frontiers obligation remains outstanding to maturity total aggregate payments of principal and interest will be US \$20,000,000. Potential payments are summarized as follows:

(20)

(expressed in Canadian dollars)

Prepayment date	Interest charge US \$	Full prepayment amount US \$	Scheduled payment date	Minimum payment required US \$
On or after June 30, 2006 but before June 30, 2007	1,250,000	11,250,000	June 30, 2007	5,000,000
On or after June 30, 2007 but before June 30, 2008	1,250,000	7,500,000	June 30, 2008	5,000,000
On or after June 30, 2008 up until June 30, 2009	2,500,000	5,000,000	June 30, 2009	5,000,000
	<u>5,000,000</u>			<u>15,000,000</u>

The purchase price of \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation is recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due including interest at maturity. The effective interest rate is 12.04%. Accrued interest accumulated from acquisition to December 31, 2006 totalling \$3,004,389 (US \$2,614,616) has been capitalized to Wyoming mineral property assets.

During the third and fourth quarters of 2005, the Company recorded an unrealized foreign exchange gain related to the New Frontiers obligation totalling \$942,892. During the year ended December 31, 2006, an unrealized foreign exchange gain of \$178,749 was recorded related to the obligation.

8

Acquisition of ISL Resources Corporation

The Company acquired all of the issued and outstanding shares of ISL Resources Corporation (“ISL”) under the terms of an October 19, 2004 acquisition agreement (the “Initial ISL Agreement”). ISL Resources Corporation is a junior exploration company which had engaged in uranium exploration in the State of Wyoming in the United States. ISL was incorporated on February 27, 1998 under the laws of the Province of Ontario and has a wholly-owned Wyoming subsidiary, ISL Wyoming Inc. After completion of the Company’s due diligence requirements, the amount of consideration and certain other terms and conditions of the Initial ISL Agreement were amended and restated by agreements finalized on April 19 and 21, 2005 (the “Amending ISL Agreements”).

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Under the terms of the Initial ISL Agreement and the Amending ISL Agreements, the consideration provided for the acquisition comprised 4,350,000 common shares and 500,000 common share purchase warrants having an exercise price per share of \$0.75 and expiring on December 1, 2006. The common shares were recorded at a value of \$1,522,500 and the warrants were recorded at a value of \$75,000. The acquisition has been accounted for as an asset purchase reflecting the impact of the Amending ISL Agreements.

The purchase price was allocated to the identifiable tangible and intangible assets acquired based on their fair market value as follows:

	\$
Fair value of identifiable net assets acquired	
Data acquisition and related costs – Wyoming	2,520,972
Net current liabilities assumed	(15,972)
Future income tax liability	<u>(907,500)</u>
Consideration given – 4,350,000 common shares and 500,000 warrants	<u>1,597,500</u>

9 Income taxes

A reconciliation of the combined Canadian federal and provincial income tax rate with the Company's effective tax rate is as follows:

	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$
Canadian loss	(2,992,025)	(1,424,486)
United States income (loss)	<u>(2,582,501)</u>	422,014
Loss before income taxes	(5,574,526)	(1,002,472)
Statutory rate	36%	36%
Expected recovery of income tax	(2,007,000)	(361,000)
Effect of foreign tax rate differences	(67,000)	(20,000)
Non-deductible amounts	568,000	228,000
Unrealized foreign exchange gain	(45,000)	(339,000)
Effect of change in opening balances	(253,000)	–
Change in valuation allowance	<u>1,290,000</u>	215,000
Recovery of future income taxes	<u>(514,000)</u>	(277,000)

Significant components of the Company's future income tax assets and liabilities are as follows:

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	December 31, 2006	December 31, 2005
	\$	\$
Future income tax assets		
Net operating loss carryforwards	2,373,000	577,000
Less: valuation allowance	(1,505,000)	(215,000)
	<u>868,000</u>	<u>362,000</u>
Future income tax liabilities		
Tax effect of flow-through shares	(2,148,500)	(910,000)
Asset basis differences	(907,500)	(907,500)
	<u>(2,188,000)</u>	<u>(1,455,500)</u>
Net future income tax liability	<u>(2,188,000)</u>	<u>(1,455,500)</u>

As at December 31, 2006, the Company has income tax loss carryforwards as follows:

	\$
Income tax loss carryforwards:	
Federal (Canada) (expire 2014 – 2026)	3,019,000
Provincial (Ontario) (expire 2014 – 2026)	2,983,000
United States (expire 2015 – 2026)	3,334,000

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to a total of \$3,461,750 (2005 – \$873,750) raised through the issuance of flow-through common shares. The future tax liability of \$1,246,500 (2005 – \$315,000) arising as a result of this renouncement was partially offset by recognition of tax assets relating to accumulated operating losses. In accordance with income tax legislation for flow-through shares, the Company is required to spend the balance of \$2,653,315 (2005 – \$379,064) in flow-through funds raised during 2006 by December 31, 2007.

During the year ended December 31, 2006, the net future tax liability was reduced by the recognition of \$514,000 (2005 – \$277,000) relating to net operating losses.

(expressed in Canadian dollars)

10 Related party transactions

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. On February 24, 2006, the Company and Patrician mutually agreed to cancel this arrangement (see note 5).

These transactions have taken place at the exchange amount which is the amount agreed to by each respective party.

11 Commitments

Under the terms of an operating lease for premises in Denver, Colorado the Company is committed to minimum annual lease payments as follows:

	\$
Year ending December 31,	
2007	110,400
2008	9,200
Thereafter	<u>—</u>
	<u>119,600</u>

12 Supplemental cash flow information

	2006 \$	2005 \$
Cash paid for interest	—	—
Non-cash financing and investing activities:		
Common shares issued for properties	990,000	75,500
Common shares issued for exploration data	—	13,640
Common shares and stock options provided for exploration services	1,003,454	261,348
New Frontiers obligation assumed for properties acquired	—	18,430,500
Interest capitalized on New Frontiers obligation	1,933,645	1,070,744

(24)

(expressed in Canadian dollars)

13

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable, accounts payable and accrued liabilities, and the New Frontiers obligation. Unless otherwise noted, except for the New Frontiers obligation, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments, except for the New Frontiers obligation, approximates their carrying value due to their short-term maturity or capacity for prompt liquidation.

The New Frontiers obligation is denominated in United States dollars. The Company is exposed to foreign exchange risk on this liability. The Company has not entered into any foreign exchange contract to mitigate this risk. As at December 31, 2006, management believes that the fair value of the New Frontiers obligation approximates its carrying value as management believes the Company's credit risk profile has not changed significantly since the inception of the obligation.

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Segmented information

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

	December 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,258	141,058	152,316
Mineral exploration properties	251,219	30,401,186	30,652,405
Deferred exploration expenditures	3,836,360	9,716,037	13,552,397
	December 31, 2005		
	Canada	United States	Total
	\$	\$	\$
Capital assets	—	—	—
Mineral exploration properties	258,500	26,716,563	26,975,063
Deferred exploration expenditures	2,224,306	4,959,386	7,183,692

(25)

(expressed in Canadian dollars)

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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:

	December 31, 2006 \$	December 31, 2005 \$
Consolidated Balance Sheets		
Total assets under Canadian GAAP	73,479,712	45,183,532
Adjustments under US GAAP:		
Accumulated write-off of exploration expenditures (a)	(13,552,397)	(7,183,692)
Total assets under US GAAP	59,927,315	37,999,840
Total liabilities under Canadian GAAP	17,537,744	20,372,976
Adjustments under US GAAP:		
Adjustment of deferred tax liability (a)(b)	(2,128,500)	(1,455,500)
Total liabilities under US GAAP	15,409,244	18,917,476
Total shareholder's equity under Canadian GAAP	55,941,968	24,810,556
Adjustments under US GAAP:		
Accumulated write-off of exploration expenditures (a)	(13,552,397)	(7,183,692)
Adjustment of deferred tax liability (a)(b)	2,128,500	1,455,500
Total shareholder's equity under US GAAP	44,518,071	19,082,364

(26)

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	Year ended December 31, 2006 \$	Year ended December 31, 2005 \$
Consolidated Statements of Operations		
Net loss for the period under Canadian GAAP	(5,060,526)	(725,472)
Adjustments under US GAAP:		
Write-off of exploration expenditures (a)	(6,368,705)	(4,113,074)
Deferred tax adjustment (a)(b)	5,500	275,000
Net loss for the period under US GAAP, being comprehensive loss	<u>(11,423,731)</u>	<u>(4,563,546)</u>
Basic and diluted loss per share under US GAAP	<u>(0.19)</u>	<u>(0.14)</u>
Consolidated Statements of Cash Flow		
Cash flows used in operating activities reported under Canadian GAAP	(2,987,673)	(1,703,145)
Adjustments under US GAAP:		
Exploration expenditures expensed (a)	<u>(5,115,343)</u>	<u>(3,792,336)</u>
Cash flows used in operating activities under US GAAP	<u>(8,103,016)</u>	<u>(5,495,481)</u>
Cash flows provided by (used in) investing activities reported under Canadian GAAP	3,703,902	(20,879,963)
Adjustments under US GAAP:		
Exploration expenditures expensed (a)	5,115,343	3,792,336
Flow-through cash categorized as restricted cash (b)	<u>2,274,251</u>	<u>(961,134)</u>
Cash flows provided by (used in) investing activities under US GAAP	<u>11,093,496</u>	<u>(18,048,761)</u>

(a) Exploration costs

US GAAP requires mineral property exploration costs to be expensed as incurred until commercially recoverable deposits are determined to exist within a particular. When proven and probable reserves are determined for a property and a feasibility study prepared, then subsequent exploration and development costs of the property would be capitalized. For US GAAP purposes, exploration costs have been expensed as incurred for all periods presented, which also results in differences under US GAAP in temporary differences for computing deferred income taxes.

(expressed in Canadian dollars)

(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 liability 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 recorded 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.

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, 2006, there were \$2,653,315 (December 31, 2005 - \$379,064) in unexpended flow-through funds.

(c) Impact of recent United States accounting pronouncements

In September 2006, the FASB issued SFAS No. 157, "*Fair Value Measurements*". The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007.

In June 2006, the FASB issued FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109*" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. Adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

UR-ENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended March 31, 2007

(Information as at May 11, 2007 unless otherwise noted)

Introduction

The following provides management's discussion and analysis of results of operations and financial condition for the three months ended March 31, 2007 and 2006. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on May 11, 2007.

This discussion and analysis should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2006 and 2005. The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles. 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 ("NFU"), ISL Resources Corporation ("ISL"), 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".

Forward-Looking Statements

This Management Discussion and Analysis may contain or refer to certain forward-looking statements relating to expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, those listed in the "Risk Factors" section of the Company's Annual Information Form dated March 21, 2007 which is filed on SEDAR, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration or development requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Potential shareholders and prospective investors are also cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and

specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company is focused on uranium exploration in the following areas: (i) Wyoming, USA where the Company has eleven properties. Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin; (ii) South Dakota, USA where the Company has acquired certain mineral leases in Harding County, known as the Harding property; (iii) the Thelon Basin, Northwest Territories in northern Canada where it has three properties known as Screech Lake, Eyeberry and Gravel Hill; (iv) Hornby Bay, Nunavut in northern Canada where it has two properties known as Dismal Lake West and Mountain Lake; and, (v) the Bugs property in the Kivalliq region of Nunavut, Canada.

Selected Interim Information

The following table contains selected interim financial information for the three month periods ended March 31, 2007 and 2006 and cumulative information from inception of the Company on March 22, 2004 to March 31, 2007.

	Three months ended March 31, 2007 \$	Three months ended March 31, 2006 \$	Cumulative from March 22, 2004 to March 31, 2007 \$
Revenue	Nil	Nil	Nil
Total expenses	(1,915,856)	(1,278,421)	(10,316,175)
Stock based compensation included in expenses	(595,076)	(434,827)	(3,678,586)
Foreign exchange gain (loss)	139,142	(21,189)	857,482
Loss before income taxes	(1,487,904)	(1,202,060)	(8,402,287)
Recovery of future income taxes	Nil	110,000	896,000
Net loss for the period	(1,487,904)	(1,092,060)	(7,506,287)
Loss per common share: Basic and diluted	(0.02)	(0.02)	
Cash dividends per common share	Nil	Nil	
	As at March 31, 2007 \$	As at December 31, 2006 \$	
Total assets	74,066,239	73,479,712	
New Frontiers obligation	15,019,642	14,713,495	
Long-term future income tax liability	2,188,000	2,188,000	

The Company has not generated any revenue from its operating activities from inception to date. The Company's expenses include costs for management fees, promotion, regulatory authority and transfer agent fees, professional fees, general and administrative costs, general exploration expense, write-off of deferred exploration expenditures and amortization of capital assets. The Company has recorded significant stock based compensation costs which are included in management fees, promotion and general and administrative costs or capitalized as a component of deferred exploration expenditures. Costs directly related to exploration projects are initially capitalized as either mineral exploration property costs or deferred exploration expenditures.

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 and to satisfying the New Frontiers obligation.

Overall Performance and Results of Operations

The Company has advanced its plans rapidly from incorporation on March 22, 2004 to date. From inception to March 31, 2007, the Company has raised total net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants, compensation options and stock options of \$57.7 million. As at March 31, 2007, the Company held cash and cash equivalents of \$26.6 million and had made significant investments in mineral exploration properties and exploration expenditures.

Mineral Exploration Properties and Deferred Exploration Expenditures

During the three months ended March 31, 2007, the Company expended cash of \$88,707 (Q1 2006 - \$26,101) on mineral exploration property costs. These costs related to staking and claim costs with respect to the Lost Creek and Lost Soldier projects of \$23,543 and with respect to other Wyoming properties of \$65,164. During the quarter, non-cash interest relating to the New Frontiers obligation of \$444,876 (Q1 2006 - \$559,362) was capitalized to Wyoming projects.

During the three month period ended March 31, 2007, the Company capitalized exploration expenditures totaling \$1,639,357. The majority of spending was on development of the Lost Soldier and Lost Creek projects in Wyoming. In total, \$1,336,779 or 82% was spent related primarily to geology, environmental permitting and engineering hydrology for development of the Lost Soldier and Lost Creek projects. In addition, a total of \$214,665 or 13% was spent primarily on geology and environmental permitting for the Company's Screech Lake project in the Thelon Basin.

Wyoming Properties

During the third quarter of 2005, the Company initiated the permitting process to develop the Lost Creek and Lost Soldier projects as mines. From its initiation to March 31, 2007, the Company has incurred a total of \$2,215,574 with respect to environmental permitting and consulting costs and in engineering hydrology costs related to these two projects. During the first quarter of 2007, permitting and hydrology costs were \$594,747. During the 2006 field season, AATA International Inc. ("AATA") completed extensive baseline data collection surveys within the 9.1 square mile (2,363 hectare) area of both the Lost Creek and Lost Soldier projects. This work consisted of examining soils and vegetation, archaeological examinations and wetland area, wildlife, threatened and endangered species, and aquatic ecology surveys. Currently, AATA is finalizing background radiological gamma surveys for both properties.

In April 2007, the Company commenced a three rig drilling program as part of a multi-million dollar mining feasibility study at its Lost Creek project. The purpose of the 2007 Phase I drilling program is to install monitor and pump test wells in order to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies; for the Wyoming Department of Environmental Quality ("WDEQ") Permit to Mine application; for the US Nuclear Regulatory ("NRC") Source Material License application; and, for the WDEQ Mine Unit #1 Permit application. The internal monitoring wells already installed will be left in place as part of the development of Lost Creek Mine Unit #1. A Phase II drilling program is planned to install the monitoring ring wells around the first mine unit.

AATA is currently preparing the permit applications with the first application scheduled to be submitted starting in the third quarter of 2007. Petrotek Engineering Corp. is preparing plans for deep disposal well site(s), permitting the disposal wells and coordinating with the Company's engineers for hydrogeologic testing and production wellfield layouts.

Proposed processing plant locations were sited in an engineering study completed by Lyntek Inc. in November 2006. As part of the Phase I drilling program, exploration drilling will be carried out over the primary and alternate processing plant sites to verify that the new plant is not built over mineralization. The Company is preparing engineering plans and finishing the collection of environmental baseline data for the option of permitting and building either an initial satellite plant or an expanded full in-situ recovery processing plant at the plant location. The Company is evaluating the risks and rewards of permitting and building a centralized full processing plant to coincide with the startup of production at Lost Creek. Such a plant could also facilitate processing uranium loaded resin from other Company properties in the basin.

The exploration drill rigs at Lost Creek will also be taking core samples from selected mineralized horizons for column leach tests to develop the lixiviant chemistry for oxidizing and extracting uranium. Analytical results of bottle roll leach tests previously carried out on core samples at Energy Laboratories, Inc. in Casper, Wyoming indicated leach efficiencies in the range of 52 to 94%.

At the Company's Lost Soldier project, located approximately 14 miles (22.5 kilometres) to the northeast of the Lost Creek project, engineering feasibility studies are underway and geologic and hydrologic data from the 2006 drilling program of 17 pump test and monitoring wells is being evaluated. The property has over 3,700 historical drill holes defining 14 mineralized sandstone units. Pincock, Allen and Holt have been contracted to carry out selected engineering studies on the property and AATA is completing environmental baseline studies. Engineering feasibility studies and applications for permits to mine for Lost Soldier will be assembled and submitted following the submission of Lost Creek's mine applications.

During 2007, the Company anticipates that development costs with respect to permitting, engineering hydrology and technical operational costs, particularly for its Lost Creek and Lost Soldier projects, will continue to be significant as the Company continues its efforts to move these projects toward production.

Within the Great Divide Basin, the Company's staff is developing exploration drilling programs for 2007 which cover an area of over 17 square miles (44 square kilometers) at its Radon Springs, North Hadsell and Eagles Nest properties.

Canadian Properties

Thelon Basin Properties

During the year ended December 31, 2006 the Company incurred costs of \$437,335 with respect to additional ground geophysics for the Screech Lake property and \$406,827 of geochemistry costs with respect to additional radon survey work. Ground geophysics fieldwork was completed during the second quarter of 2006 and radon survey work was completed during the third quarter. Additionally, the Company incurred ongoing geology costs of \$395,409.

During the year ended December 31, 2006 environmental permitting and related costs totaled \$334,078. In July 2006, an environmental screening study was completed on the Screech Lake Project. In September 2006, an application for a land use permit to conduct drill testing of the Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board ("Review Board") for environmental assessment. The environmental assessment was completed on February 28, 2007. The land use permit is required in order to commence drilling on the Screech Lake property.

A report and recommendation from the Review Board was issued on May 7, 2007. The Review Board has recommended to the Minister of Indian and Northern Affairs Canada that the Company's application to conduct an exploratory drilling program at the Screech Lake property be rejected. The Company is currently assessing its options for pursuing its proposed exploration program at the Screech Lake property. The Company also plans to discuss the Board's recommendation with the Minister of Indian and Northern Affairs Canada. The Company believes that it has proposed an exploration program which maintains the highest possible environmental standards. In the Company's application for a land use permit, extensive mitigation measures were proposed to ensure that the drilling program would have minimal short-term environmental impact and no long-term effect.

During the three months ended March 31, 2007, the Company incurred additional permitting and environmental costs of \$104,782 and geology costs of \$84,816.

Hornby Bay Properties

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. The Mountain Lake property comprises 41 claims and the West Dismal property comprises 17 claims. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option to obtain a 100% interest in the properties, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

The Company did not incur any direct costs with respect to the Hornby Bay properties during the quarter ended March 31, 2007.

Bugs Property

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. Following acquisition of the Bugs property, the Company contracted for an airborne magnetic and radiometric survey which was conducted by Tundra Airborne Surveys. Costs for this survey totaled \$28,133 during 2006. For the 2007 field season, the

Company has budgeted approximately \$400,000 for mapping, prospecting and radon sampling with respect to the Bugs property.

Expenses

Total expenses for the three month period ended March 31, 2007 were \$1,915,856 (Q1 2006 - \$1,278,421). Total expenses include costs incurred with respect to Company promotion of \$274,490; regulatory authority and transfer agent fees of \$16,985; professional fees primarily relating to legal, accounting and audit services of \$313,063; general and administrative costs relating to Company finance, administration and each of the corporate offices including stock based compensation charges for stock options of \$1,096,848; general exploration expenses of \$194,903; and amortization of capital assets of \$19,567.

During the three month period ended March 31, 2007, the Company recorded significant non-cash stock based compensation charges related to stock options. In total, expenses recorded related to stock options were \$595,076 (Q1 2006 - \$434,827). These non-cash charges to expense represent approximately 31% of total expenses and approximately 40% of net loss for the quarter. Significant components of this total include \$533,816 recorded in general and administrative expense and \$61,260 recorded in promotion expense for stock options provided to directors, officers, employees and contractors of the Company.

In general, expenses in all categories have increased when comparing the year ended December 31, 2006 to 2005. The primary reasons for this include: increased promotion costs related to attendance at industry conferences and related travel; increased regulatory fees associated with our public company listing and related regulatory costs; increased professional fees related to legal, accounting, taxation and investment banking for public company compliance and general corporate matters; increased general administrative costs relating to our Denver, Colorado office and to general corporate finance and administrative costs; increased general exploration costs as we continue to pursue various new prospects for the Company; and, significantly increased stock based compensation charges.

The Company will continue to incur significant charges related to stock based compensation as the fair value of its stock options granted is expensed over their 18 month vesting period. As at March 31, 2007, the total fair value of stock options, related to options outstanding to be recorded over the coming five quarters is approximately \$2.9 million. Charges to record the fair value of stock options give rise to both expenses and amounts capitalized to projects as deferred exploration.

Loss before Income Taxes and Net Loss

The Company invests cash and cash equivalents in liquid guaranteed investment certificates and 30 day short-term investments with a Canadian chartered bank. During the three month period ended March 31, 2007, these investments have earned rates of return, varying with the size of the investment and the term, which ranged from 3.4% to 4.2% per annum. During the three month period ended March 31, 2007, the Company earned interest income on these investments of \$288,810 (Q1 2006 - \$97,550).

During the three month period ended March 31, 2007, the Company recorded a net foreign exchange gain of \$139,142. This includes an unrealized net gain of \$138,729 related to the New Frontiers obligation. The promissory note due to New Frontiers was issued on June 30, 2005 and

is denominated in US dollars. Until settled, the Company will continue to record foreign exchange gains or losses on this US denominated debt in income.

Loss Per Common Share

Both basic and diluted loss per common share for the three month period ended March 31, 2007 were \$0.02 (Q1 2006 – \$0.02) . For the three month periods ended March, 2007 and 2006, 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 March 31, 2007, the Company had cash and cash equivalents of \$26,625,076 and working capital of \$20,484,147. Subsequent to quarter end during April 2007, the Company announced a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, on a bought deal basis, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share. This financing closed on May 10, 2007. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250.

During the three month period ended March 31, 2007, the Company realized cash proceeds from the exercise of previously issued warrants, compensation options and stock options totaling \$614,931. During the same period, the Company invested cash of \$1,404,638 in mineral exploration properties, deferred exploration expenditures, bonding and other deposits and capital assets; and, used \$1,313,041 of cash in operations.

The next annual payment of the New Frontiers obligation is due before June 30, 2007 and totals \$5,779,350 (US \$5,000,000). The Company can elect to repay the New Frontiers obligation in full and avoid additional interest charges. Full repayment prior to June 30, 2007 would total US \$11,250,000.

As at March 31, 2007, all of the previously outstanding warrants and substantially all compensation options had been exercised with a total of 55,733 compensation options outstanding. If exercised, these compensation options would provide proceeds of \$69,666 to the Company. As at March 31, 2007, the Company had outstanding a total of 5,917,000 stock options with exercise prices ranging from \$1.25 to \$5.03. Upon exercise, these stock options would provide maximum cash proceeds of \$12,617,250 to the Company.

The Company has financed its operations from inception, to date, primarily through the issuance of equity securities and has no sources of cash flow from operations. The Company will not generate any cash flow from operations until it is successful in commencing production from its resource properties.

The Company's contractual obligations are summarized as follows:

Contractual Obligations	Payments Due by Period (All amounts in US dollars)				
	Total US \$	Less than 1 year US\$	1 to 3 years US\$	4 to 5 years US\$	After 5 years US\$
New Frontiers obligation (1)	15,000,000	5,000,000	10,000,000	-	-
Denver office operating lease (2)	79,000	79,000	-	-	-
Total contractual obligations	15,079,000	5,079,000	10,000,000	-	-

(1) The Company is obligated under the terms of a promissory note with New Frontiers Uranium LLC to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. The Company can prepay the balance due and avoid or reduce interest charges.

(2) The Company is committed to an operating lease for office premises in Littleton, Colorado. This operating lease has a term extending to January 2008.

Financing Transactions

2007 issuances

Subsequent to quarter end, during April 2007, the Company announced a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, on a bought deal basis, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share.

On May 1, 2007, the Company filed a final short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to this bought deal financing. This bought deal financing closed on May 10, 2007. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250.

During the three months ended March 31, 2007, the Company realized cash proceeds of \$614,931 related to the exercise of 156,208 warrants, 54,617 compensation options and 289,000 stock options.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000. The proceeds of this offering will be utilized to fund Canadian exploration spending during 2007.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500. The proceeds of this offering were used primarily to fund the balance of the 2006 exploration programs in Canada.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants; a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares for the exercise of stock options. Total cash proceeds from these exercises were \$12,733,749.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to a total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 was recorded as a reduction of capital stock during 2006.

Acquisition of NFU Wyoming LLC

Effective June 30, 2005, the Company concluded its acquisition of NFU Wyoming LLC. Under the terms of the purchase agreement, the Company acquired a 100% membership interest in NFU that holds the majority of the Company's Wyoming property assets, for total consideration of US \$20,000,000.

The Company is obligated to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. The Company can prepay the balance due and avoid or reduce interest charges. The Company has pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note. Potential payments are summarized as follows:

Prepayment Date	Interest Charge US \$	Full Prepayment Amount US \$	Scheduled Payment Date	Minimum Payment Required US \$
On or after June 30, 2006, but before June 30, 2007	1,250,000	11,250,000	June 30, 2007	5,000,000
On or after June 30, 2007, but before June 30, 2008	1,250,000	7,500,000	June 30, 2008	5,000,000
On or after June 30, 2008 up until June 30, 2009	<u>2,500,000</u>	5,000,000	June 30, 2009	<u>5,000,000</u>
	<u>5,000,000</u>			<u>15,000,000</u>

The purchase price of CDN \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation is recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due including interest at maturity. The effective interest rate is 12.04% . Accrued interest accumulated from acquisition to March 31, 2007 totals \$3,449,265 (US \$2,994,229) and has been capitalized to Wyoming mineral property assets. During the quarter ended March 31, 2007, the Company

recorded a foreign exchange gain of \$138,729 related to the New Frontiers obligation as the Canadian dollar strengthened relative to the United States dollar.

Historic financial statements relating to this acquisition were not available. In the periods prior to the Company's acquisition, the assets were held by various of the New Frontiers principals and certain related entities either personally or in corporations. Combined financial statements of these entities are not available and all financial information required to create such financial statements is not available to the Company. Additionally, since the assets acquired were accumulated over a significant number of years and at times when different market conditions prevailed, management believes that the prior historical costs of most of the assets are not meaningful presently.

Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options and stock options as at April 30, 2007, March 31, 2007 and December 31, 2006 is as follows:

	April 30, 2007	March 31, 2007	December 31, 2006
Common shares	74,225,239	73,974,874	73,475,052
Warrants	-	-	162,876
Compensation options	55,568	55,733	110,346
Stock options	5,666,800	5,917,000	5,406,000
Fully diluted shares outstanding	79,947,607	79,947,607	79,154,274

On May 10, 2007, the Company issued 17,431,000 common shares in connection with the bought deal financing.

Stock options

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012.

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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and the New Frontiers obligation. Unless otherwise noted, except for the New Frontiers obligation, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these

financial instruments, except for the New Frontiers obligation, approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The New Frontiers obligation is denominated in United States dollars. The Company is exposed to foreign exchange risk on this liability. The Company has not entered into any foreign exchange contract to mitigate this risk. As at March 31, 2007, management believes that the fair value of the New Frontiers obligation approximates its carrying value as the liability is recorded at the present value of its fixed future cash payments utilizing the effective interest rate method.

Transactions with Related Parties

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. During February 2006, the Company and Patrician mutually agreed to cancel this arrangement and unwind the transaction.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint 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

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. When production is attained, these costs will be amortized. If properties are abandoned they are written off at that time. If properties are considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Management uses its best estimates for determining the fair value of mineral properties based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

The Company is required to record all equity instruments including warrants, 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 estimate the expected volatility of the Company's stock over the future life of the equity instrument and to estimate the expected life of the equity instrument. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results and by comparison to other companies in the uranium exploration and development segment.

Changes in Accounting Policies Including Initial Adoption

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and

measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The adoption of these standards did not have a significant impact on these financial statements.

Internal Controls

No changes have occurred in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 dated March 21, 2007 which is filed on SEDAR.

Other Information

Other information relating to the Company may be found on the SEDAR website at www.SEDAR.com.

Corporate Information

Directors and Officers

Jeffrey T. Klenda, B.A., CFP – Chairman and Director
W. William Boberg, M. Sc., P. Geo. – President, CEO and Director
Harold Backer, B. Sc. – Vice President, US Operations
Wayne Heili, B. Sc. – Vice President, Mining
Eric Craigie, B. Sc. – Senior Vice-President, Exploration and Director
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – VP, Canadian Exploration and Director
James M. Franklin, PhD, FRSC, P. Geo. – Chief Scientist and Director
Paul Macdonell, B. Public Admin. – Director, Audit and Compensation Committee Chair
Robert Boaz, M. Econ., Hons. BA – Director
Gary Huber, PhD – Director
John McNeice, B. Comm., CA, CPA – Chief Financial Officer and Corporate Secretary

Corporate Offices

United States Headquarters:

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Ken Caryl Ranch (Littleton), Colorado 80127
Phone: (720) 981-4588

Canadian Exploration Office:

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Brampton, Ontario L6X 3C7
Phone: (905) 456-5436

Registered and Principal Administrative Office:

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Manotick (Ottawa), Ontario K4M 1A3

Phone: (613) 692-7704

Web Site

www.ur-energy.com

Trading Symbol

TSX: URE

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa

Corporate Legal Counsel

McCarthy Tetrault, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Equity Transfer & Trust Company, Toronto

Ur-Energy Inc.

(a Development Stage Company)

Unaudited Consolidated Financial Statements

March 31, 2007

(expressed in Canadian dollars)

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Balance Sheets

(expressed in Canadian dollars)

	March 31, 2007 \$ (unaudited)	December 31, 2006 \$
Assets		
Current assets		
Cash and cash equivalents	26,625,076	28,727,824
Amounts receivable	113,890	80,376
Prepaid exploration costs and expenses	183,777	148,243
	<u>26,922,743</u>	<u>28,956,443</u>
Bonding and other deposits (note 3)	511,415	166,151
Capital assets (note 4)	254,339	152,316
Mineral exploration properties (note 5)	31,185,988	30,652,405
Deferred exploration expenditures (note 5)	15,191,754	13,552,397
	<u>47,143,496</u>	<u>44,523,269</u>
	<u>74,066,239</u>	<u>73,479,712</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	659,246	636,249
Current portion of New Frontiers obligation	5,779,350	5,831,900
	<u>6,438,596</u>	<u>6,468,149</u>
New Frontiers obligation (note 7)	9,240,292	8,881,595
Future income tax liability	2,188,000	2,188,000
	<u>17,866,888</u>	<u>17,537,744</u>
Shareholders' equity		
Capital stock (note 6)	60,125,432	59,236,406
Warrants (note 6)	-	45,604
Contributed surplus (note 6)	3,580,206	2,678,341
Deficit	(7,506,287)	(6,018,383)
	<u>56,199,351</u>	<u>55,941,968</u>
	<u>74,066,239</u>	<u>73,479,712</u>

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

Approved by the Board of Directors:

signed "Jeffrey Klenda"

Director

signed "Paul Macdonell"

Director

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Statements of Operations and Deficit

(expressed in Canadian dollars)

	Three months ended March 31, 2007 \$ (unaudited)	Three months ended March 31, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to March 31, 2007 \$ (unaudited)
Expenses			
Management fees	-	323,500	589,106
Promotion	274,490	192,252	1,550,467
Regulatory authority and transfer agent fees	16,985	38,112	141,013
Professional fees	313,063	133,486	1,516,633
General and administrative	1,096,848	488,689	5,582,480
General exploration expense	194,903	96,890	774,590
Write-off of mineral property and deferred exploration expenditures	-	-	107,462
Amortization of capital assets	19,567	5,492	54,424
	<u>(1,915,856)</u>	<u>(1,278,421)</u>	<u>(10,316,175)</u>
Interest income	288,810	97,550	1,056,406
Foreign exchange gain (loss)	139,142	(21,189)	857,482
	<u>427,952</u>	<u>76,361</u>	<u>1,913,888</u>
Loss before income taxes	(1,487,904)	(1,202,060)	(8,402,287)
Recovery of future income taxes	-	110,000	896,000
Net loss for the period	(1,487,904)	(1,092,060)	(7,506,287)
Deficit - Beginning of period	(6,018,383)	(957,857)	-
Deficit - End of period	(7,506,287)	(2,049,917)	(7,506,287)
Loss per common share:			
Basic and diluted	(0.02)	(0.02)	
Weighted average number of common shares outstanding:			
Basic and diluted	73,804,365	48,584,408	

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

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

	Three months ended March 31, 2007 \$ (unaudited)	Three months ended March 31, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to March 31, 2007 \$ (unaudited)
Cash provided by (used in)			
Operating activities			
Net loss for the period	(1,487,904)	(1,092,060)	(7,506,287)
Items not affecting cash:			
Stock based compensation	595,076	434,827	3,678,586
Amortization of capital assets	19,567	5,492	54,424
Write-off of deferred exploration expenditures	-	-	107,462
Unrealized foreign exchange loss (gain)	(138,729)	21,833	(1,260,370)
Recovery of future income taxes	-	(110,000)	(896,000)
Change in non-cash working capital items:			
Amounts receivable	(33,514)	(23,483)	(113,890)
Prepaid exploration costs and expenses	(35,534)	(85,804)	(183,777)
Accounts payable and accrued liabilities	(232,003)	(160,385)	4,411
	(1,313,041)	(1,009,580)	(6,115,441)
Investing activities			
Mineral exploration property costs	(88,707)	(26,101)	(8,274,555)
Deferred exploration expenditures	(849,077)	(496,160)	(10,289,041)
Purchase of short-term investments	-	-	(12,830,000)
Sale of short-term investments	-	-	12,840,000
Increase in bonding and other deposits	(345,264)	-	(511,415)
Purchase of capital assets	(121,590)	(73,222)	(308,763)
	(1,404,638)	(595,483)	(19,373,774)
Financing activities			
Issuance of common shares and warrants for cash	-	-	42,173,318
Share issue costs	-	-	(2,207,592)
Proceeds from exercise of warrants, compensation options and stock options	614,931	2,430,650	17,758,315
Payment of New Frontiers obligation	-	-	(5,609,750)
	614,931	2,430,650	52,114,291
Net change in cash and cash equivalents	(2,102,748)	825,587	26,625,076
Cash and cash equivalents - Beginning of period	28,727,824	824,897	-
Cash and cash equivalents - End of period	26,625,076	1,650,484	26,625,076

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

Ur-Energy Inc.
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1. Nature of operations

Ur-Energy Inc. (the "Company") is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves 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 Corporation Act on August 7, 2006. These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and include all of the assets, liabilities and expenses of the Company and its wholly - owned subsidiaries Ur-Energy USA Inc., NFU Wyoming 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".

These unaudited interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year. The accounting policies used in the preparation of the interim consolidated financial statements conform to those used in the Company's annual financial statements and reflect all normal and recurring adjustments considered necessary to fairly state the results for the periods presented.

These unaudited interim consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements for the year ended December 31, 2006.

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. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments 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 include investments which have a term to maturity at the time of purchase in excess of ninety days. These investments are readily convertible into cash.

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Capital assets

Capital assets are initially recorded at cost and are then amortized using the declining balance method at the following annual rates: computers at 30%, software at 50%, office furniture at 20%, field vehicles at 30% and field equipment at 30%.

Mineral exploration property and deferred exploration expenditures

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. The interest cost of debt directly attributable to the financing of mineral property acquisitions is capitalized during the exploration and development period. When production is attained, these costs will be amortized. If properties are abandoned, sold or considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Expenditures of a general reconnaissance nature are expensed to general exploration in the statement of operations and deficit.

Stock-based compensation

All stock-based payments made to employees and non-employees are accounted for in the financial statements. Compensation cost is measured at the grant date based on the fair value of the reward and compensation expense is recognized over the related service period. Compensation cost recorded related to contractor shares and stock options is charged to expense or is capitalized to deferred exploration expenditures when related to direct exploration activities.

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 rates of exchange in effect when the assets were acquired or obligations incurred. Expenses are translated at exchange rates in effect at the date 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 that 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 when it is more likely than not that such assets will not be realized.

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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.

New accounting pronouncements

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The adoption of these standards did not have a significant impact on these financial statements.

3. Bonding and other deposits

Bonding and other deposits include \$106,860 (December 31, 2006 – \$107,532) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Once the reclamation is complete, the bonding deposits will be returned to the Company. As at March 31, 2007, bonding and other deposits also include \$404,555 (US \$350,000) on deposit with trade vendors.

4. Capital assets

	March 31, 2007			December 31, 2006		
	Cost	Accumulated	Net Book	Cost	Accumulated	Net Book
	\$	\$	\$	\$	\$	\$
Computers	48,367	8,822	39,545	31,347	5,544	25,803
Software	12,264	1,100	11,164	531	175	356
Office furniture	54,965	8,816	46,149	36,806	6,346	30,460
Field vehicles	188,890	34,305	154,585	114,212	21,646	92,566
Field equipment	4,277	1,381	2,896	4,277	1,146	3,131
	308,763	54,424	254,339	187,173	34,857	152,316

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5. Mineral exploration properties and deferred exploration expenditures

	Canada			USA		Total
	Thelon	Hornby Bay	Bugs	Lost Creek/ Lost Solder	Other Wyoming & South Dakota	
	\$	\$	\$	\$	\$	\$
Mineral exploration properties:						
Balance, December 31, 2005	225,351	33,149	-	23,615,291	3,101,272	26,975,063
Property acquisition costs	3,543	-	29,000	-	1,281,396	1,313,939
Property staking and claim costs	18,446	562	-	62,360	315,242	396,610
Interest capitalized	-	-	-	1,773,152	160,493	1,933,645
Trix Minerals Corp. option payment	-	(25,000)	-	-	-	(25,000)
Energy Metals property swap	-	-	-	-	91,980	91,980
Write-off of mineral property costs	(33,832)	-	-	-	-	(33,832)
Balance, December 31, 2006	213,508	8,711	29,000	25,450,803	4,950,383	30,652,405
Property staking and claim costs	-	-	-	23,543	65,164	88,707
Interest capitalized	-	-	-	407,951	36,925	444,876
Balance, March 31, 2007 (unaudited)	213,508	8,711	29,000	25,882,297	5,052,472	31,185,988
Deferred exploration expenditures:						
Balance, December 31, 2005	1,815,255	409,051	-	1,887,878	3,071,508	7,183,692
Geology	395,409	11,620	4,455	1,904,086	262,290	2,577,860
Geophysical	437,335	300	28,133	31,378	-	497,146
Geochemistry	406,827	12,737	-	-	-	419,564
Permitting and environmental	334,078	-	-	1,098,124	128	1,432,330
Engineering hydrology	-	-	-	347,813	-	347,813
Reclamation	-	-	-	20,640	-	20,640
Project consulting	-	-	-	10,108	-	10,108
Report preparation	-	-	-	25,480	-	25,480
Drilling	240	-	-	1,006,087	-	1,006,327
Assaying	300	-	-	34,954	-	35,254
Surveying	-	-	-	-	8,334	8,334
Data acquisition and related costs	-	-	-	-	99,209	99,209
Energy Metals property swap	-	-	-	-	(91,980)	(91,980)
Write-off of deferred exploration	(19,380)	-	-	-	-	(19,380)
Balance, December 31, 2006	3,370,064	433,708	32,588	6,366,548	3,349,489	13,552,397
Geology	84,816	-	9,950	727,509	26,988	849,263
Geophysical	2,467	-	350	-	-	2,817
Geochemistry	18,542	-	-	-	-	18,542
Permitting and environmental	104,782	-	-	416,427	7,395	528,604
Engineering hydrology	-	-	-	178,320	-	178,320
Drilling	4,058	-	-	2,273	-	6,331
Assaying	-	-	-	9,452	-	9,452
Data acquisition and related costs	-	-	-	222	4,209	4,431
Land management costs	-	-	-	2,576	39,021	41,597
Balance, March 31, 2007 (unaudited)	3,584,729	433,708	42,888	7,703,327	3,427,102	15,191,754

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Thelon

The Company's Thelon Basin projects include Screech Lake, Eyeberry and Gravel Hill and are located in the Northwest Territories, Canada. As at December 31, 2006, the Company abandoned its Hanbury project in the Thelon Basin.

Hornby Bay

The Company's Hornby Bay projects in Nunavut, Canada include the Dismal Lake and Mountain Lake claim groups.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option, and obtain a 100% interest, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Bugs

The Bugs property is located in the Kivalliq region of Nunavut.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

United States - Wyoming & South Dakota

On February 3, 2005, the Company entered into a letter of intent with Dalco Inc. (the "Dalco LOI"). Under the terms of the Dalco LOI, the Company had an option to acquire certain patented and unpatented claims and land records for the property located in Wyoming, USA together with exploration records, drill log files and related data (collectively the "Radon Springs Property"). The Company paid Dalco US\$25,000 upon signing the Dalco LOI and the Company issued 25,000 common shares to Dalco in order to acquire a 25% interest in the Radon Springs Property. These common shares were issued on June 3, 2005.

On July 20, 2005, the Company concluded a definitive agreement with Dalco (the "Dalco Agreement"). Under the terms of the Dalco Agreement, the Company increased its interest in the Radon Springs Property to 50% by providing an additional US \$50,000 and 50,000 common shares during November 2005. During November 2006, the Company increased its interest to 75% by providing an additional US \$100,000 and 100,000 common shares. The Company has the right to acquire the remaining 25% interest, for a 100% interest, by providing an additional US \$150,000 and 150,000 common shares on or before December 3, 2007, subject to Dalco retaining a production royalty of 3% on the total gross proceeds received by the Company on the sale of U₃O₈ ("Yellowcake") extracted from uranium ores from the Radon Springs Property. The Company has the exclusive right to manage and operate the Radon Springs Property and is responsible for 100% of the exploration and development expenditures on the project.

On March 6, 2005, the Company entered into a letter of intent with New Frontiers Uranium LLC, a Colorado limited liability company (the "New Frontiers LOI"). Under the terms of the New Frontiers LOI, the Company was entitled to acquire certain Wyoming USA properties, subject to satisfactory completion of due diligence within 90 days after March 11, 2005. The Company completed due diligence requirements during June of 2005 and entered into definitive agreements effective June 30, 2005 (the "New Frontiers Agreements").

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On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC which holds the majority of the Company's Wyoming properties, including the Lost Creek and Lost Soldier projects, for total consideration of \$24,515,832 (US \$20,000,000) (see note 7). The Company has capitalized a total of \$3,449,265 of interest cost related to the New Frontiers obligation to the cost of the acquired properties. Interest capitalized during the three months ended March 31, 2007 was \$ 444,876.

On April 6, 2006, the Company announced it had entered into an agreement with Energy Metals Corporation ("Energy Metals") to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock and Chalk Hills projects to Energy Metals for their holdings in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals' unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company's unpatented "F" mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with the unpatented "Rita" mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a 1/2% royalty on future production of uranium from the properties. The fair value of these properties is not reliably determinable; therefore, the accumulated historical costs of the Shamrock and Chalk Hills projects have been recorded as the accounting basis of the Bootheel property received. Historic property costs related to the Shamrock and Chalk Hills projects was \$332,090 and deferred exploration costs with respect to the projects was \$91,980.

On June 16, 2006, the Company entered into a data purchase agreement related to the Bootheel project area. The Company paid \$99,209 (US \$90,000) related to the acquisition of this data. The data acquired relates to historical drill hole geophysical logs, lithologic logs, drill hole maps and geologic cross sections. Under the terms of the agreement, the Company will provide the seller with a 1% royalty on future uranium and associated minerals produced from the property.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming, consisting of certain unpatented mining claims in four claim blocks. The Company purchased the properties for an aggregate consideration of 250,000 common shares of the Company. Additionally, on September 29, 2006, the Company acquired additional unpatented mining claims relating to one of these claim blocks for cash consideration of US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and from a one-mile area of interest surrounding the properties.

During October 2006, the Company acquired certain State of South Dakota Mineral Leases in Harding County, northwest South Dakota for cash consideration of \$158,431.

6. Capital stock

Authorized

The Company is authorized to issue an unlimited number of 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.

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Issued	Common Shares #	Amount \$	Warrants #	Amount \$
Balance, December 31, 2005	47,204,040	22,243,625	13,090,560	2,431,702
Common shares issued for cash, net of issue costs	9,204,727	20,062,699	-	-
Exercise of warrants	13,483,134	13,701,383	(13,483,134)	(2,546,458)
Expired warrants	-	-	(32,800)	(4,350)
Exercise of compensation options	1,337,904	1,975,223	588,250	164,710
Exercise of stock options	106,500	206,152	-	-
Common shares issued for properties	360,000	990,000	-	-
Common shares issued for services	1,778,747	1,303,824	-	-
Tax effect of flow-through shares	-	(1,246,500)	-	-
Balance, December 31, 2006	73,475,052	59,236,406	162,876	45,604
Exercise of warrants	156,209	229,154	(156,209)	(43,737)
Expired warrants	-	-	(6,667)	(1,867)
Exercise of compensation options	54,613	104,992	-	-
Exercise of stock options	289,000	554,880	-	-
Balance, March 31, 2007 (unaudited)	73,974,874	60,125,432	-	-

No Class A preference shares have been issued.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants, a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares were issued upon the exercise of stock options.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming. The Company purchased the properties for an aggregate consideration of 250,000 common shares which were valued at \$515,000.

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On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunuvut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issuable. These common shares were valued at \$29,000.

In November 2006, the Company issued 100,000 common shares pursuant to the terms of the Dalco Agreement in connection with the Company's Radon Springs Project in Wyoming. These common shares were valued at \$446,000.

A total of 1,778,747 common shares were issued for services to directors, officers and contractors of the Company.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to the entire total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 has been recorded as a reduction of capital stock during the year.

Director, officer and contractor shares for service

The Company had approved the potential issuance of a total of 2,760,000 common shares to directors, officers and contractors of the Company to compensate for services provided to the Company under various service contracts. Vesting of the balance of 613,679 common shares issuable under these service contracts was accelerated during September of 2006. Including this final balance of contractor shares recorded during the third quarter of 2006, the Company recorded a total of 1,478,747 common shares valued at \$736,824 with respect to these service contracts during the year ended December 31, 2006. Of that total, \$590,354 was charged to stock based compensation expense and \$146,470 was capitalized as deferred exploration expenditures.

On May 24, 2006, the Company issued a total of 300,000 common shares for service to the President and Chief Executive Officer of the Company as a performance bonus. The issuance of these common shares was approved by the Company's shareholders on May 17, 2006. These common shares were fully vested upon issuance and were valued at \$567,000. These common shares were recorded as a stock based compensation expense in general and administrative expense.

Warrants

As at March 31, 2007, the Company had a total of nil (December 31, 2006 – 162,876) common share warrants outstanding.

The fair value of warrants issued has been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. As at December 31, 2006, the remaining value allocated to outstanding warrants was \$45,604. The assumptions used for the valuation of warrants are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate 4% and an expected life of the warrants of two years.

Compensation options and compensation option warrants

The Company has provided compensation options to agents who refer investors to the Company. Compensation options are exercisable into equity instruments having the same attributes as those purchased by the referred investor. As at March 31, 2007, the Company had outstanding a total of 55,733 (December 31, 2006 – 110,346) compensation options exercisable at \$1.25 per share until November 29, 2007.

The fair value of compensation options issued has been estimated using the Black-Scholes option pricing model and this value has been presented as contributed surplus within shareholders' equity and recorded as a share issue cost. As at March 31, 2007 the balance allocated to compensation options is \$ 37,481 (December 31, 2006 – \$74,208). The assumptions used for the valuation of compensation options are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate of 4% and an expected life of the options of one to two years.

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Stock options

On November 17, 2005, the Company's Board of Directors approved an initial grant of 4,375,000 options pursuant to the Company's stock option plan (the "Plan") to directors, officers and consultants of the Company. Initial options granted are exercisable at \$1.25 per share, the initial public offering price of the Company's common shares. These options have a five year life and expire on November 17, 2010. These stock options were determined to have a fair value at grant of \$0.67 per share. Under the terms of the Company's Plan, options generally vest with 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.

On March 24, 2006, the Company granted 75,000 stock options exercisable at \$2.01 per share. These stock options expire March 25, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.08 per share. On April 21, 2006, the Company granted 1,525,000 stock options exercisable at \$2.35. These stock options expire April 21, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.27 per share. On September 26, 2006, the Company granted 435,000 stock options exercisable at \$2.75. These stock options expire September 26, 2011 and vest over 18 months as described above. These stock options were determined to have a fair value at grant of \$1.48 per share.

On January 12, 2006, in connection with the resignation of the Company's former Chairman and CEO, a total of 750,000 options were forfeit. Additionally, during the year ended December 31, 2006, a total of 147,500 stock options were forfeit.

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. These stock options were determined to have a fair value at grant of \$2.20 per share. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012. These stock options were determined to have a fair value at grant of \$2.71 per share.

Activity with respect to stock options is summarized as follows:

	Number	Weighted- average exercise price \$	Expiry
Outstanding, December 31, 2005	4,375,000	1.25	November 17, 2010
Forfeited	(897,500)	1.25	November 17, 2010
Exercised	(106,500)	1.25	November 17, 2010
Granted on March 24, 2006	75,000	2.01	March 25, 2011
Granted on April 21, 2006	1,525,000	2.35	April 21, 2011
Granted on September 26, 2006	435,000	2.75	September 26, 2011
Outstanding, December 31, 2006	5,406,000	1.69	November 17, 2010 to September 26, 2011
Exercised	(289,000)	1.25	November 17, 2010
Granted on January 3, 2007	200,000	4.08	January 1, 2012
Granted on February 19, 2007	600,000	5.03	February 15, 2012
Outstanding, March 31, 2007 (unaudited)	5,917,000	2.13	November 17, 2010 to February 15, 2012

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As at March 31, 2007 outstanding stock options are as follows:

Exercise price \$	Options outstanding		Options exercisable		Expiry
	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	
1.25	3,082,000	3.6	2,282,800	3.6	November 17, 2010
2.01	75,000	4.0	40,500	4.0	March 25, 2011
2.35	1,525,000	4.1	835,000	4.1	April 21, 2011
2.75	435,000	4.4	139,200	4.4	September 26, 2011
4.08	200,000	4.8	20,000	4.8	January 1, 2012
5.03	600,000	4.8	60,000	4.8	February 15, 2012
	<u>5,917,000</u>	4.0	<u>3,377,500</u>	3.8	

As at March 31, 2007, a total of 5,917,000 (December 31, 2007 - 5,406,000) stock options were outstanding with 3,377,500 (December 31, 2006 - 2,365,200) options being vested with Plan participants. During the three month period ended March 31, 2007, the Company recorded a total of \$ 1,130,356 related to stock option compensation. Of that total, \$ 595,076 was charged to stock based compensation expense and \$535,280 was capitalized as deferred exploration expenditures. This amount is included in shareholders' equity as contributed surplus and is recorded as an expense or as deferred exploration expenditures. This value was determined using the Black-Scholes option pricing model with the following assumptions:

	<u>2007</u>	<u>2006</u>
Expected volatility	67%	67% - 72%
Expected option life (in years)	4.0	3.5 - 4.0
Risk-free interest rate	4.25%	3.96% - 4.17%
Expected dividend yield	0%	0%

Contributed surplus

Amounts recorded as contributed surplus in shareholders' equity relate primarily to the fair value of compensation options and to the fair value of stock options. Activity with respect to contributed surplus is summarized as follows:

	\$
Balance, December 31, 2005	1,093,086
Exercise of compensation options	(694,436)
Stock option charges	2,348,163
Exercise of stock options	(72,822)
Expired warrants	4,350
Balance, December 31, 2006	<u>2,678,341</u>
Exercise of compensation options	(36,727)
Stock option charges	1,130,356
Exercise of stock options	(193,631)
Expired warrants	1,867
Balance, March 31, 2007 (unaudited)	<u>3,580,206</u>

Ur-Energy Inc.
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Notes to Unaudited Consolidated Financial Statements
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(expressed in Canadian dollars)

7. New Frontiers obligation / Acquisition of NFU Wyoming LLC

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC, a newly formed Wyoming limited liability corporation, holding certain Wyoming properties for total consideration of US \$20,000,000. The balance of the purchase price of US\$15,000,000 was payable by way of a promissory note. The Company has pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note. As at March 31, 2007 and December 31, 2006, the New Frontiers obligation is as follows:

	March 31, 2007		December 31, 2006	
	Canadian	US	Canadian	US
	\$	\$	\$	\$
New Frontiers obligation - principal	11,558,700	10,000,000	11,663,800	10,000,000
New Frontiers obligation - accrued interest	3,460,942	2,994,229	3,049,695	2,614,666
	15,019,642	12,994,229	14,713,495	12,614,666
Less: current portion	(5,779,350)	(5,000,000)	(5,831,900)	(5,000,000)
	9,240,292	7,994,229	8,881,595	7,614,666

The Company paid the first anniversary installment of US \$5,000,000 on June 28, 2006. Principal and interest installments of US \$5,000,000 are due on the second and third anniversaries of the closing date followed by a final payment consisting of all remaining principal and interest falling due on the fourth anniversary of the closing date. The Company can prepay the balance due and avoid or reduce interest charges. If the New Frontiers obligation remains outstanding to maturity total aggregate payments of principal and interest will be US \$20,000,000. Potential payments are summarized as follows:

Prepayment date	Interest charge	Full prepayment amount	Scheduled payment date	Minimum payment required
	US \$	US \$		US \$
On or after June 30, 2006 but before June 30, 2007	1,250,000	11,250,000	June 30, 2007	5,000,000
On or after June 30, 2007 but before June 30, 2008	1,250,000	7,500,000	June 30, 2008	5,000,000
On or after June 30, 2008 up until June 30, 2009	2,500,000	5,000,000	June 30, 2009	5,000,000
	5,000,000			15,000,000

The purchase price of \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation is recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due, including interest, at maturity. The effective interest rate is 12.04% . Accrued interest accumulated from acquisition to March 31, 2007 totaling \$3,449,265 (US \$2,994,229) has been capitalized to Wyoming mineral property assets.

Ur-Energy Inc.
(a Development Stage Company)
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(expressed in Canadian dollars)

8. Related party transactions

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. On February 24, 2006, the Company and Patrician mutually agreed to cancel this arrangement.

These transactions have taken place at the exchange amount which is the amount agreed to by each respective party.

9. Commitments

Under the terms of an operating lease for premises in Littleton, Colorado the Company is committed to minimum annual lease payments as follows:

		\$
Period ending December 31,	2007	81,900
	2008	9,100
	Thereafter	-
		91,000

10. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and the New Frontiers obligation. Except for the New Frontiers obligation, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments, except for the New Frontiers obligation, approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

The New Frontiers obligation is denominated in United States dollars. The Company is exposed to foreign exchange risk on this liability. The Company has not entered into any foreign exchange contract to mitigate this risk. As at March 31, 2007, management believes that the fair value of the New Frontiers obligation approximates its carrying value as the liability is recorded at the present value of its fixed future cash payments utilizing the effective rate method.

11. Segmented information

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

	March 31, 2007(unaudited)		
	Canada	United States	Total
	\$	\$	\$
Capital assets	12,684	241,655	254,339
Mineral exploration properties	251,219	30,934,769	31,185,988
Deferred exploration expenditures	4,061,325	11,130,429	15,191,754
	December 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,258	141,058	152,316
Mineral exploration properties	251,219	30,401,186	30,652,405
Deferred exploration expenditures	3,836,360	9,716,037	13,552,397

Ur-Energy Inc.
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March 31, 2007

(expressed in Canadian dollars)

12. Bought deal financing

During April 2007, the Company announced a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, on a bought deal basis, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share.

On May 1, 2007, the Company filed a final short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to this bought deal financing. This bought deal financing closed on May 10, 2007. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250.

Form 52-109F2 - Certification of Interim Filings

I, John McNeice, of **Ur-Energy Inc.** as Chief Financial Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the interim period ending March 31, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: May 11, 2007

(signed) "John McNeice" _____

John McNeice
Chief Financial Officer

Form 52-109F2 - Certification of Interim Filings

I, W. William Boberg, of **Ur-Energy Inc.** as President and Chief Executive Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the interim period ending March 31, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: May 11, 2007

(signed) "W. William Boberg"

W. William Boberg
Chief Executive Officer

UR-ENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Six Month Periods Ended June 30, 2007

(Information as at August 9, 2007 unless otherwise noted)

Introduction

The following provides management's discussion and analysis of results of operations and financial condition for the three and six month periods ended June 30, 2007 and 2006. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on August 9, 2007.

This discussion and analysis should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2006 and 2005. The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles. 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 ("NFU"), Bootheel Project LLC, NFUR Bootheel LLC, NFUR Hauber LLC, ISL Resources Corporation ("ISL"), 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".

Forward-Looking Statements

This Management Discussion and Analysis may contain or refer to certain forward-looking statements relating to expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, those listed in the "Risk Factors" section of the Company's Annual Information Form dated March 21, 2007 which is filed on SEDAR, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration or development requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Potential shareholders and prospective investors are also cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking

information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company is focused on uranium exploration in the following areas: (i) Wyoming, USA where the Company has eleven properties. Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin; (ii) South Dakota, USA where the Company has acquired certain mineral leases in Harding County, known as the Harding property; (iii) the Thelon Basin, Northwest Territories in northern Canada where it has three properties known as Screech Lake, Eyeberry and Gravel Hill; (iv) Hornby Bay, Nunavut in northern Canada where it has two properties known as Dismal Lake West and Mountain Lake; (v) the Bugs property in the Kivalliq region of Nunavut, Canada; and, (vi) R-Seven and Rook 1 properties in the Athabasca Basin, Saskatchewan which are subject of the joint venture agreement with Titan Uranium Inc.

Selected Interim Information

The following table contains selected interim financial information for the three and six month periods ended June 30, 2007 and 2006 and cumulative information from inception of the Company on March 22, 2004 to June 30, 2007.

	Three month period ended June 30, 2007 \$ (unaudited)	Three month period ended June 30, 2006 \$ (unaudited)	Six month period ended June 30, 2007 \$ (unaudited)	Six month period ended June 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to June 30, 2007 \$ (unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil
Total expenses	(2,575,642)	(1,662,728)	(4,491,498)	(2,941,149)	(12,891,817)
Interest income	699,684	130,046	988,494	227,596	1,756,090
Foreign exchange gain	719,046	482,118	858,188	460,929	1,576,528
Loss before income taxes	(1,156,912)	(1,050,564)	(2,644,816)	(2,252,624)	(9,559,199)
Recovery of future income taxes	Nil	130,000	Nil	240,000	896,000
Net loss for the period	(1,156,912)	(920,564)	(2,644,816)	(2,012,624)	(8,663,199)
Loss per common share - Basic and diluted	(0.01)	(0.02)	(0.03)	(0.04)	
	As at June 30, 2007 \$	As at December 31, 2006 \$			
Total assets	138,233,776	73,479,712			
New Frontiers obligation	Nil	14,713,495			
Long-term future income tax liability	2,188,000	2,188,000			
Cash dividends per Common Share	Nil	Nil			

The Company has not generated any revenue from its operating activities from inception to date. The Company's expenses include costs for management fees, promotion, regulatory authority and transfer agent fees, professional fees, general and administrative costs, general exploration expense, write-off of deferred exploration expenditures and amortization of capital assets. The Company has recorded significant stock based compensation costs which are included in

management fees, promotion and general and administrative costs or capitalized as a component of deferred exploration expenditures. Costs directly related to exploration projects are initially capitalized as either mineral exploration property costs or deferred exploration expenditures.

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.

Overall Performance and Results of Operations

The Company has advanced its plans rapidly from incorporation on March 22, 2004 to date. From inception to June 30, 2007, the Company has raised total net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants, compensation options and stock options of \$135.6 million. As at June 30, 2007, the Company held cash and cash equivalents of \$88.7 million and had made significant investments in mineral exploration properties and exploration expenditures.

Mineral Exploration Properties and Deferred Exploration Expenditures

During the three month period ended June 30, 2007, the Company expended cash of \$366,893 (Q2 2006 - \$180,931) on mineral exploration property costs. These costs related primarily to the acquisition of a data package related to Wyoming properties for \$99,028 (US\$90,000), property staking and claim costs of \$123,607 related to the Lost Creek and Lost Soldier projects and \$101,279 relating to staking and claim costs with respect to other Wyoming properties.

During the second quarter of 2007, a total of \$2,016,156 (US \$1,744,231) of interest previously capitalized to Wyoming property assets was reversed. This amount of accrued interest was not payable upon early settlement of the New Frontiers obligation. During the first quarter of 2007, non-cash interest relating to the New Frontiers obligation of \$444,876 was capitalized to Wyoming projects.

During the six month period ended June 30, 2007, the Company capitalized exploration expenditures totaling \$4,904,050. The majority of spending was on development of the Lost Creek and Lost Soldier projects in Wyoming. In total, \$4,371,260 or 89% was spent related primarily to geology, environmental permitting, engineering hydrology and drilling for development of the Lost Creek and Lost Soldier projects. In addition, a total of \$340,630 or 7% was spent primarily on geology and environmental permitting for the Company's Screech Lake project in the Thelon Basin.

Wyoming Properties

Lost Creek project

The Lost Creek uranium deposit is located four miles north of Rio Tinto's Sweetwater mill in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometres) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 metres) and 700 feet (213 metres) in depth. National Instrument 43-101 ("NI 43-101") compliant resources (Roscoe Postle Associates Inc., June 15, 2006) for Lost Creek are 9.8 million pounds of U₃O₈ at 0.058 percent as an indicated resource and an additional 1.1 million pounds of U₃O₈ at 0.076 percent as an inferred resource. In 2006, 17 cased monitoring and pump test wells were completed on the property, and the initial testing was completed successfully.

Four drill rigs are presently drilling at Lost Creek and the addition of a fifth rig has been scheduled. The drilling is to complete several separate phases of work on the project:

- Installation of pump test and monitor wells for baseline and engineering data;
- Orebody delineation wells to better define the orebody for well field planning;
- Condemnation wells to assure that the plant site will not be built on an ore deposit;
- Water wells for water for the drilling operation.

During the six month period ended June 30, 2007, the Company incurred drilling costs totaling \$959,706 with respect to these activities on the Lost Creek project.

The following work at Lost Creek was completed during the six month period ended June 30, 2007, and additional work is planned for the remainder of 2007:

- A second round of pump testing was completed demonstrating above average flow rates and favourable conditions for in-situ recovery ("ISR") mining. A third round of pump testing is planned for August, 2007.
- Twenty-nine of 59 pump test and monitoring wells have been installed to date, with the remainder to be installed during the last six months of 2007.
- Thirty-two delineation drill holes of 195 delineation holes have been completed. The extensive delineation drilling program is to define the outer limits of mineralization for engineering well field design.
- Two additional water wells were completed away from the delineated well fields. One of the water wells intercepted 12 feet (3.7 metres) of uranium-bearing sandstone at a grade of 0.075 percent U_3O_8 . This is within the main mineralized zone, but more than 2,400 feet (732 metres) from known mineralization indicating a possible major extension of mineralization within the main mineralized zone.
- Six condemnation drill holes reaching up to 1,000 feet (305 metres) in depth were completed in the proposed plant site areas.
- Mineralized intercepts in the 2007 drilling program continue to indicate that the mineralization at Lost Creek is commonly thicker than average mineralized roll fronts in the basin. Examples are LC45 in the HJ sand which was 27 feet (8.2 metres) thick at a grade of 0.121 percent U_3O_8 and LC49 in the KM sand which was 25 feet (7.6 metres) thick at a grade of 0.064 percent U_3O_8 .
- Engineering feasibility studies being conducted by the Company's in-house engineering team are well under way, including well field design and processing plant design:
 - A proposed new processing plant is being designed and permitted to produce two million pounds of U_3O_8 yellowcake slurry per year with the capability to toll process loaded resin from other satellite ISR facilities.
 - Capital equipment orders for long lead-time items will be placed early in 2008.
 - Instead of building a satellite plant for resin loading, as anticipated in the preliminary plans, the Company plans to construct a full-scale processing plant which will be completed in stages. The first stage will produce yellowcake slurry and, at a later date, a second stage will add a drying and packaging facility.
- The license permit application to the United States Nuclear Regulatory Commission ("NRC") for Lost Creek is being compiled into report form based on the extensive individual geologic, engineering and environmental studies completed by the Company since starting the permitting process in July, 2005:

- The projected date for submission of the license permit to the NRC is September, 2007. This is projected to be the first new ISR (non-satellite) mining license application from Wyoming in recent years.
- The application for the permit to mine will be submitted to the Wyoming Department of Environmental Quality (WDEQ) following the license submission to the NRC.
- All environmental baseline studies have been completed, and the Company's contractor, AATA International, is compiling the permit applications for both the NRC and the WDEQ.
- Evaluation and permitting of Class I deep disposal well sites are being done by Petrotek Engineering.

During the six month period ended June 30, 2007 significant costs with respect to these activities for the Lost Creek project include geology costs of \$1,057,941; permitting and environmental costs of \$605,884; and, engineering hydrology costs of \$292,802. Drilling costs in the second quarter were \$959,706.

Lost Soldier project

The Lost Soldier project is located approximately 14 miles (22.5 kilometres) to the northeast of the Lost Creek project. The property has over 3,700 historical drill holes defining 14 mineralized sandstone units. NI 43-101 compliant resources (Roscoe Postle Associates, July 10, 2006) for Lost Soldier are five million pounds of U₃O₈ at 0.064 percent as a measured resource, 7.2 million pounds of U₃O₈ at 0.065 percent as an indicated resource and 1.8 million pounds of U₃O₈ at 0.055 percent as an inferred resource.

All environmental baseline studies have been completed, with baseline groundwater and meteorological data collection continuing.

A scoping study is being completed by Pincock, Allen & Holt Engineering. This study will include an evaluation of the minability of additional shallow uranium resources which are above the water table and were not included in the Company's NI 43-101 compliant resource base for Lost Soldier.

During the six month period ended June 30, 2007 significant costs with respect to these activities for the Lost Soldier project include geology costs of \$795,510; permitting and environmental costs of \$259,255; and, engineering hydrology costs of \$142,147.

USA exploration projects

An in-house team of four geologists in the Company's Littleton, Colorado office has been doing an evaluation of the extensive well log and exploration database owned by the Company. During 2007, exploration will be carried out on five projects: three on 100 percent owned projects and two by other companies through exploration, development and operating ventures on Company properties (see "Bootheel Project / Target Exploration and Mining" and "Hauber Project / Trigon Uranium Corporation" below).

During 2007, more than 11,000 additional acres of on-trend mineral properties were acquired and added to the Company's United States property portfolio. Total United States landholdings are now approximately 91,000 acres.

New drill targets in Wyoming, based on in-house uranium exploration models, have been developed for the Radon Springs, Eagles Nest and the Lost Creek North project areas. Drill permit applications have been submitted to the WDEQ for an exploration drilling program of 74 holes to start on these projects in August, 2007. Reclamation bonding to cover these drill permit applications will be more than US \$500,000.

The 2007 budget for exploration on the Radon Springs, Eagles Nest and Lost Creek North projects is approximately US \$2.0 million.

Bootheel Project / Target Exploration and Mining

During June 2007, the Company entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining Corporation ("Target") to form the Bootheel Project, LLC covering an area of known uranium occurrences in Albany County, Wyoming. The total project covers a defined area of approximately 6,000 acres in the Shirley Basin. The primary goal is to move rapidly to the production of uranium, possibly by the in-situ recovery mining method.

Under the terms of the agreement, the Company will contribute its Bootheel and Buck Point properties located within the Shirley Basin which are comprised of 279 mining claims and two state leases. Target will contribute US \$3 million in exploration expenditures and issue a total of 125,000 common shares of Target to the Company over a four year period in order to earn a 75% participating interest in the two uranium properties. Minimum exploration expenditures of US \$750,000 are required in each year during the four year earn-in period. Target will be the operator of the project.

Uranium mineralization was intersected on both properties during the late 1970s and the mineralization has the potential to be recovered by ISR methods. Uranium was discovered in the Shirley Basin in 1955 and production continued until 1992. Although the majority of commercial production in the Shirley Basin was carried out by conventional mining methods, ISR methods were tested on several deposits.

Hauber Project / Trigon Uranium Corporation

During June 2007, the Company entered into agreements with Trigon Uranium Corporation ("Trigon") which resulted in the formation of NFUR Hauber LLC and the Hauber Project LLC. The Company will contribute its Hauber property located in Crook County, Wyoming, consisting of 205 unpatented lode mining claims and one state uranium lease totaling approximately 5,160 acres. The property is over an area of identified uranium occurrences. Pursuant to the terms of the agreements, Trigon can earn a 50% ownership interest in the project by contributing a total of US \$1.5 million in exploration expenditures to the project over three years. Minimum exploration expenditures of US \$350,000 are required in year one of the earn-in period with US \$575,000 in years two and three. Trigon will act as manager of the project.

The agreements further provide that after Trigon has earned the 50% ownership interest, Trigon has the option to acquire an additional 1% ownership interest by making an additional payment of

US \$1.0 million for project exploration and expenditures. If Trigon does not exercise this option, the Company may do so for the same payment contribution. The agreements provide for a sixty day environmental due diligence period, at the outset, during which Trigon will conduct an independent study to confirm that there are no manmade environmental hazards or other environmental liabilities prior to the commencement of the project.

Data Package Acquisition

During May 2007, the Company acquired a data package from Power Resources Inc. ("PRI") pertinent to exploration and development in the Shirley Basin, Wyoming for \$99,028 (US \$90,000). The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from such previous operators as Cherokee, Kerr McGee, URADCO (PP&L), and Mobil as well as historical feasibility reports from Dames & Moore and Nuclear Assurance.

The Company will make any data covering its Bootheel and Buckpoint properties, and certain other data, available to the venture it has with Target.

The data purchase agreement includes a 1% royalty interest payable to PRI on uranium and associated minerals and materials produced from the Bootheel and Buck Point properties which include 279 lode mining claims and 2 State of Wyoming mineral leases.

Canadian Properties

R-Seven and Rook I Properties, Athabasca Basin

During June 2007, the Company announced it had signed a letter of intent with Titan Uranium Incorporated whereby the Company can earn up to an undivided 51% working interest in Titan's R-Seven and Rook I properties by funding \$9 million in exploration programs managed by Titan over a 4-year earn in period. Diamond drilling on the property began in early July, 2007 with a first year expenditure commitment of \$2.0 million.

The option agreement calls for annual expenditures of \$2 million in each of the first three years with a further \$3 million in year four. Vesting of a 25% working interest will be at the Company's election after the expenditure of \$4 million in the second year of the agreement. Upon the expenditure of an additional \$2 million in year three, the Company will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3 million in year four. Upon completion of the earn-in phase, the Company and Titan will proceed as joint venture partners with the Company becoming project operator.

The R-Seven and Rook I properties include 17 mineral claims totaling 75,698 hectares (187,053 acres). The claims are located in the southwestern portion of Saskatchewan's Athabasca Basin. The claims cover a prospective magnetic trend that hosts a number of strong electro-magnetic conductors identified by airborne and ground geophysical surveys. Limited historical drilling on the Titan properties intersected graphitic metasediments, faults, elevated levels of pathfinder elements and alteration typically associated with uranium deposits. An electromagnetic conductor associated with uranium mineralization on the adjacent property extends onto the Titan ground.

Thelon Basin Properties

During the six month period ended June 30, 2007, the Company recorded costs of \$340,630 with respect to the Thelon properties primarily relating to Screech Lake. Significant components of total costs include \$160,220 with respect to geology costs and \$152,350 with respect to environmental permitting costs.

During the year ended December 31, 2006 the Company incurred costs of \$437,335 with respect to additional ground geophysics for the Screech Lake property and \$406,827 of geochemistry costs with respect to additional radon survey work. Ground geophysics fieldwork was completed during the second quarter of 2006 and radon survey work was completed during the third quarter. Additionally, the Company incurred ongoing geology costs of \$395,409.

During the year ended December 31, 2006 environmental permitting and related costs totaled \$334,078. In July 2006, an environmental screening study was completed on the Screech Lake Project. In September 2006, an application for a land use permit to conduct drill testing of the Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board ("Review Board") for environmental assessment. The environmental assessment was completed on February 28, 2007. The land use permit is required in order to commence drilling on the Screech Lake property.

A report and recommendation from the Review Board was issued on May 7, 2007. The Review Board has recommended to the Minister of Indian and Northern Affairs Canada that the Company's application to conduct an exploratory drilling program at the Screech Lake property be rejected. The Company is currently assessing its options for pursuing its proposed exploration program at the Screech Lake property. The Company believes that it has proposed an exploration program which maintains the highest possible environmental standards. In the Company's application for a land use permit, extensive mitigation measures were proposed to ensure that the drilling program would have minimal short-term environmental impact and no long-term effect. A decision from the Minister of Indian and Northern Affairs on the Company's application is pending.

Hornby Bay Properties

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. The Mountain Lake property comprises 41 claims and the West Dismal property comprises 17 claims. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option to obtain a 100% interest in the properties, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Triex is operator of a 50:50 joint venture with Pitchstone Exploration Ltd. to explore for uranium on various properties which cover approximately 221,000 hectares in the Hornby Basin. Their 2007 exploration budget is \$2.3 -million. The program is focused mainly on drilling, which started on May 9, 2007 and is expected to run until mid-August. Included are several holes planned for the western targets at Dismal Lake which is located on the claims under option from the Company. All holes are being tested down-hole by a Mount Sopris 2PGA-1000 poly-gamma probe survey. In addition to drilling, extensive prospecting and mapping, soil geochemistry, and

ground-based resistivity surveys are also being done on the claims under option from the Company which surround the joint venture's claims which cover the Mountain Lake uranium deposit. This work will refine targets for further drill testing in 2008.

The current Triex drill program at Dismal Lake is a follow-up of an airborne geotem magnetic and electromagnetic survey flown by Fugro Airborne Surveys for the Company in 2005, a subsequent radiometric survey flown by Triex in 2005, and extensive mapping, prospecting and soil geochemistry done by Triex in 2006. These surveys have outlined two targets which might be the source for the radioactive boulder field discovered on the property in the late 1970s. Results from the current program are expected to be released in the fall, when all analytical data have been received

The Company did not incur any direct costs with respect to the Hornby Bay properties during the six months ended June 30, 2007. It is anticipated that Triex will have completed its earn-in expenditures by September 30, 2007.

Bugs Property

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. Following acquisition of the Bugs property, the Company contracted for an airborne magnetic and radiometric survey which was conducted by Tundra Airborne Surveys. Costs for this survey totaled \$28,133 during 2006. For the 2007 field season, the Company has budgeted approximately \$400,000 for mapping, prospecting and radon sampling with respect to the Bugs property. Field work on the Bugs property commenced during July 2007.

Expenses

Total expenses for the three month period ended June 30, 2007 were \$2,575,642 (Q2 2006 - \$1,662,728). Total expenses include costs incurred with respect to Company promotion of \$317,798; regulatory authority and transfer agent fees of \$42,983; professional fees primarily relating to legal, accounting and audit services of \$148,196; general and administrative costs relating to Company finance, administration and each of the corporate offices including stock based compensation charges for stock options of \$1,740,767; general exploration expenses of \$314,524; and amortization of capital assets of \$11,374.

During the three month period ended June 30, 2007, the Company recorded significant non-cash stock based compensation charges related to stock options. In total, expenses recorded related to stock options were \$1,106,171 (Q2 2006 - \$1,009,375). These non-cash charges to expense represent approximately 43% of total expenses and approximately 96% of net loss for the quarter. Significant components of this total include \$997,275 recorded in general and administrative expense and \$108,897 recorded in promotion expense for stock options provided to directors, officers, employees and contractors of the Company. During the six month period ended June 30, 2007 a total of \$1,701,247 (2006 - \$518,416) was charged to expenses related to stock options.

In general, expenses in all categories have increased when comparing the three and six month periods ended June 30, 2007 to the same periods in 2006. The primary reasons for this include: increased promotion costs related to attendance at industry conferences and related travel; increased regulatory fees associated with our public company listing and related regulatory costs; increased professional fees related to legal, accounting, taxation and investment banking for public company compliance and general corporate matters; increased general administrative costs relating to our Denver, Colorado office and to general corporate finance and administrative costs; increased general exploration costs as we continue to pursue various new prospects for the Company; and, significantly increased stock based compensation charges.

The Company will continue to incur significant charges related to stock based compensation as the fair value of its stock options granted is expensed over their 18 month vesting period. As at June 30, 2007, the total fair value of stock options, related to options outstanding to be recorded over the coming five quarters is approximately \$6.5 million. Charges to record the fair value of stock options give rise to both expenses and amounts capitalized to projects as deferred exploration.

Loss before Income Taxes and Net Loss

The Company invests cash and cash equivalents in liquid guaranteed investment certificates and 30 day short-term investments with a Canadian chartered bank. During the six month period ended June 30, 2007, these investments have earned rates of return, varying with the size of the investment and the term, which ranged from 3.4% to 4.6% per annum. During the three month period ended March 31, 2007, the Company earned interest income on these investments of \$699,684 (Q2 2006 - \$130,046). During the six month period ended June 30, 2007, the Company earned interest income on these investments of \$988,494 (2006 - \$227,596). Interest income was significantly higher in the second quarter due to the proceeds of the bought deal financing being invested from May 10 to June 30.

During the three month period ended March 31, 2007, the Company recorded a net foreign exchange gain of \$719,046. This includes a gain recorded upon final settlement of the New Frontiers obligation of \$1,048,111. Additionally, during the second quarter, the Company incurred net foreign exchange losses of \$329,065 related to cash balances held in US currency as the Canadian dollar strengthened relative to the US dollar. Net foreign exchange gains during the six months ended June 30, 2007 were \$858,188 (2006 - \$460,929).

Loss Per Common Share

Both basic and diluted loss per common share for the three month period ended June 30, 2007 were \$0.01 (Q2 2006 – \$0.02) . Both basic and diluted loss per common share for the six month period ended June 30, 2007 were \$0.03 (2006 – \$0.04) .For the three and six month periods ended June 30, 2007 and 2006, 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 June 30, 2007, the Company had cash and cash equivalents of \$88,735,362 and working capital of \$88,109,587. On May 10, 2007, the Company completed a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, 15,158,000 common shares

of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters commissions were \$5,298,634.

During the six month period ended June 30, 2007, the Company realized cash proceeds from the exercise of previously issued warrants, compensation options and stock options totaling \$985,387. During the same period, the Company invested cash of \$3,976,116 in mineral exploration properties, deferred exploration expenditures, bonding and other deposits and capital assets; and, used \$2,544,974 cash in operations.

During June 2007, the Company fully repaid the New Frontiers obligation providing a final payment of \$11,955,375 (US \$11,250,000). The Company elected to repay the New Frontiers obligation in full and avoid additional interest charges which would have accrued on June 30, 2007 and in subsequent years.

As at June 30, 2007, all of the previously outstanding warrants and substantially all compensation options had been exercised with a total of 55,568 compensation options outstanding. If exercised, these compensation options would provide proceeds of \$69,666 to the Company. During July 2007, a total of 50,000 of these compensation options were exercised. As at June 30, 2007, the Company had outstanding a total of 7,742,800 stock options with exercise prices ranging from \$1.25 to \$5.03. Upon exercise, these stock options would provide maximum cash proceeds of approximately \$22.2 million to the Company.

The Company has financed its operations from inception, to date, primarily through the issuance of equity securities and has no sources of cash flow from operations. The Company will not generate any cash flow from operations until it is successful in commencing production from its resource properties.

As at June 30, 2007, the Company's contractual obligations are summarized as follows:

Contractual Obligations	Payments Due by Period (All amounts in US dollars)				
	Total US \$	Less than 1 year US\$	1 to 3 years US\$	4 to 5 years US\$	After 5 years US\$
Office operating leases (1)	651,900	198,400	255,800	182,500	15,200

(1) The Company is committed to an operating lease for office premises in Littleton, Colorado. This operating lease has a term extending to January 2009. The Company has entered into an operating lease for office premises in Casper, Wyoming. This operating lease has a five year term extending to September 2012.

The Company has established a corporate credit card facility with a US bank for use by officers and employees of the Company. This facility has an aggregate borrowing limit of US \$250,000. The Company has provided a letter of credit and a guaranteed investment certificate in the amount of \$287,500 as collateral for this facility.

Financing Transactions

2007 issuances

On May 10, 2007, the Company completed a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters' commissions were \$5,293,943.

During the six months ended June 30, 2007, the Company realized cash proceeds of \$985,387 related to the exercise of warrants, compensation options and stock options.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000. The proceeds of this offering will be utilized to fund Canadian exploration spending during 2007.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500. The proceeds of this offering were used primarily to fund the balance of the 2006 exploration programs in Canada.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants; a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares for the exercise of stock options. Total cash proceeds from these exercises were \$12,733,749.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to a total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 was recorded as a reduction of capital stock during 2006.

Acquisition of NFU Wyoming LLC / New Frontiers Obligation

Effective June 30, 2005, the Company concluded its acquisition of NFU Wyoming LLC. Under the terms of the purchase agreement, the Company acquired a 100% membership interest in NFU that holds the majority of the Company's Wyoming property assets, for total consideration of US \$20,000,000.

The Company was obligated to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. During June 2007, the Company elected to prepay the balance due and avoid future interest charges. The full repayment amount was \$11,955,375 (US \$11,250,000) including principle and accrued interest.

The purchase price of CDN \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation was recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due including interest at maturity. The effective interest rate was 12.04% . Upon full repayment of the New Frontiers obligation in June 2007 interest payable for full settlement was \$2,016,156 (US \$1,744,229) less than interest accrued under the effective rate method for accounting. This amount was recorded as a reduction of mineral property costs during the second quarter. Net interest which accumulated from acquisition to repayment, totals \$1,433,109 (US \$1,250,000) and has been capitalized to Wyoming mineral property assets.

Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options and stock options as at July 31, 2007, June 30, 2007 and December 31, 2006 is as follows:

	July 31, 2007	June 30, 2007	December 31, 2006
Common shares	91,941,039	91,680,239	73,475,052
Warrants	-	-	162,876
Compensation options	5,568	55,568	110,346
Stock options	7,732,000	7,742,800	5,406,000
Fully diluted shares outstanding	99,678,607	99,478,607	79,154,274

On May 10, 2007, the Company issued 17,431,000 common shares in connection with the bought deal financing.

Stock options

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012. On May 23, 2007, the Company granted 2,100,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at \$4.75 per share and expire May 15, 2012. On July 25, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$3.67 per share and expire on July 15, 2012.

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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Transactions with Related Parties

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. During February 2006, the Company and Patrician mutually agreed to cancel this arrangement and unwind the transaction.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint 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

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. When production is attained, these costs will be amortized. If properties are abandoned they are written off at that time. If properties are considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Management uses its best estimates for determining the fair value of mineral properties based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

The Company is required to record all equity instruments including warrants, 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 estimate the expected volatility of the Company's stock over the future life of the equity instrument and to estimate the expected life of the equity instrument. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results and by comparison to other companies in the uranium exploration and development segment.

Changes in Accounting Policies Including Initial Adoption

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The adoption of these standards did not have a significant impact on these financial statements.

Internal Controls

No changes have occurred in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 dated March 21, 2007 which is filed on SEDAR.

Other Information

Other information relating to the Company may be found on the SEDAR website at www.SEDAR.com.

Corporate Information

Directors and Officers

Jeffrey T. Klenda, B.A., CFP – Chairman and Director
W. William Boberg, M. Sc., P. Geo. – President, CEO and Director
Harold Backer, B. Sc. – Vice President, US Operations
Wayne Heili, B. Sc. – Vice President, Mining
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – VP, Canadian Exploration
James M. Franklin, PhD, FRSC, P. Geo. – Chief Scientist and Director
Paul Macdonell, B. Public Admin. – Director, Audit and Compensation Committee Chair
Robert Boaz, M. Econ., Hons. BA – Director
Thomas Parker, B. Sc., M. Eng. – Director
Roger Smith, CPA, MBA – Chief Financial Officer
Paul G. Goss – Corporate Counsel & Corporate Secretary

Corporate Offices

United States Headquarters:

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Phone: (720) 981-4588

Canadian Exploration Office:
341 Main Street North, Suite 206
Brampton, Ontario L6X 3C7
Phone: (905) 456-5436

Registered and Principal Administrative Office:
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Manotick (Ottawa), Ontario K4M 1A3
Phone: (613) 692-7704

Web Site

www.ur-energy.com

Trading Symbol

TSX: URE

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa

Corporate Legal Counsel

McCarthy Tetrault, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Equity Transfer & Trust Company, Toronto

Ur-Energy Inc.

(a Development Stage Company)

Unaudited Consolidated Financial Statements

June 30, 2007

(expressed in Canadian dollars)

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Balance Sheets

(expressed in Canadian dollars)

	June 30, 2007 \$ (unaudited)	December 31, 2006 \$
Assets		
Current assets		
Cash and cash equivalents	88,735,362	28,727,824
Amounts receivable	195,377	80,376
Prepaid exploration costs and expenses	256,908	148,243
	<u>89,187,647</u>	<u>28,956,443</u>
Bonding and other deposits (note 3)	560,497	166,151
Capital assets (note 4)	492,460	152,316
Mineral exploration properties (note 5)	29,536,725	30,652,405
Deferred exploration expenditures (note 5)	18,456,447	13,552,397
	<u>49,046,129</u>	<u>44,523,269</u>
	<u>138,233,776</u>	<u>73,479,712</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	1,078,060	636,249
Current portion of New Frontiers obligation	-	5,831,900
	<u>1,078,060</u>	<u>6,468,149</u>
New Frontiers obligation (note 7)	-	8,881,595
Asset retirement obligation (note 8)	103,811	-
Future income tax liability	2,188,000	2,188,000
	<u>3,369,871</u>	<u>17,537,744</u>
Shareholders' equity		
Capital stock (note 6)	138,198,020	59,236,406
Warrants (note 6)	-	45,604
Contributed surplus (note 6)	5,329,084	2,678,341
Deficit	(8,663,199)	(6,018,383)
	<u>134,863,905</u>	<u>55,941,968</u>
	<u>138,233,776</u>	<u>73,479,712</u>

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

Approved by the Board of Directors:

signed "Jeffrey Klenda"

Director

signed "Paul Macdonell"

Director

Ur-Energy Inc.

(a Development Stage Company)

Unaudited Consolidated Statements of Operations and Deficit

(expressed in Canadian dollars)

	Three months ended June 30, 2007 \$ (unaudited)	Three months ended June 30, 2006 \$ (unaudited)	Six months ended June 30, 2007 \$ (unaudited)	Six months ended June 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to June 30, 2007 \$ (unaudited)
Expenses					
Management fees	-	-	-	323,500	589,106
Promotion	317,798	157,236	592,288	349,488	1,868,265
Regulatory authority and transfer agent fees	42,983	27,163	59,968	65,275	183,996
Professional fees	148,196	153,704	461,259	287,190	1,664,829
General and administrative	1,740,767	1,271,479	2,837,615	1,760,168	7,323,247
General exploration expense	314,524	47,095	509,427	143,985	1,089,114
Write-off of mineral property and deferred exploration expenditures	-	-	-	-	107,462
Amortization of capital assets	11,374	6,051	30,941	11,543	65,798
	(2,575,642)	(1,662,728)	(4,491,498)	(2,941,149)	(12,891,817)
Interest income	699,684	130,046	988,494	227,596	1,756,090
Foreign exchange gain	719,046	482,118	858,188	460,929	1,576,528
	1,418,730	612,164	1,846,682	688,525	3,332,618
Loss before income taxes	(1,156,912)	(1,050,564)	(2,644,816)	(2,252,624)	(9,559,199)
Recovery of future income taxes	-	130,000	-	240,000	896,000
Net loss for the period	(1,156,912)	(920,564)	(2,644,816)	(2,012,624)	(8,663,199)
Deficit - Beginning of period	(7,506,287)	(2,049,917)	(6,018,383)	(957,857)	-
Deficit - End of period	(8,663,199)	(2,970,481)	(8,663,199)	(2,970,481)	(8,663,199)
Loss per common share:					
Basic and diluted	(0.01)	(0.02)	(0.03)	(0.04)	
Weighted average number of common shares outstanding:					
Basic and diluted	84,152,811	56,020,471	79,007,175	52,339,367	

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

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

	Three months ended June 30, 2007 \$ (unaudited)	Three months ended June 30, 2006 \$ (unaudited)	Six months ended June 30, 2007 \$ (unaudited)	Six months ended June 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to June 30, 2007 \$ (unaudited)
Cash provided by (used in)					
Operating activities					
Net loss for the period	(1,156,912)	(920,564)	(2,644,816)	(2,012,624)	(8,663,199)
Items not affecting cash:					
Stock based compensation	1,106,171	1,009,375	1,701,247	1,444,202	4,784,757
Amortization of capital assets	11,374	6,051	30,941	11,543	65,798
Write-off of deferred exploration expenditures	-	-	-	-	107,462
Foreign exchange gain	(1,048,111)	(758,596)	(1,186,840)	(736,763)	(2,308,481)
Recovery of future income taxes	-	(130,000)	-	(240,000)	(896,000)
Change in non-cash working capital items:					
Amounts receivable	(76,794)	19,224	(110,308)	(4,259)	(195,377)
Prepaid exploration costs and expenses	(73,131)	24,771	(108,665)	(61,033)	(256,908)
Accounts payable and accrued liabilities	(249,530)	(336,789)	(226,533)	(497,174)	(240,426)
	(1,486,933)	(1,086,528)	(2,544,974)	(2,096,108)	(7,602,374)
Investing activities					
Mineral exploration property costs	(366,893)	(180,931)	(455,600)	(207,032)	(8,641,448)
Deferred exploration expenditures	(1,624,852)	(1,062,301)	(2,728,929)	(1,558,461)	(11,913,893)
Purchase of short-term investments	-	(3,000,000)	-	(3,000,000)	(12,830,000)
Sale of short-term investments	-	5,840,000	-	5,840,000	12,840,000
Increase in bonding and other deposits	(49,082)	(79,657)	(394,346)	(79,657)	(560,497)
Purchase of capital assets	(275,651)	(15,099)	(397,241)	(88,321)	(584,414)
	(2,316,478)	1,502,012	(3,976,116)	906,529	(21,690,252)
Financing activities					
Issuance of common shares and warrants for cash	77,744,735	-	77,744,735	-	119,918,053
Share issue costs	(246,119)	-	(246,119)	-	(2,453,711)
Proceeds from exercise of warrants, compensation options and stock options	370,456	5,128,087	985,387	7,558,737	18,128,771
Payment of New Frontiers obligation	(11,955,375)	(5,609,750)	(11,955,375)	(5,609,750)	(17,565,125)
	65,913,697	(481,663)	66,528,628	1,948,987	118,027,988
Net change in cash and cash equivalents	62,110,286	(66,179)	60,007,538	759,408	88,735,362
Cash and cash equivalents - Beginning of period	26,625,076	1,650,484	28,727,824	824,897	-
Cash and cash equivalents - End of period	88,735,362	1,584,305	88,735,362	1,584,305	88,735,362

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

Ur-Energy Inc.
(a Development Stage Company)
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(expressed in Canadian dollars)

1. Nature of operations

Ur-Energy Inc. (the "Company") is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves 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 Corporation Act on August 7, 2006. These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and include all of the assets, liabilities and expenses of the Company and its wholly - owned subsidiaries Ur-Energy USA Inc., NFU Wyoming LLC, Bootheel Project LLC, NFUR Bootheel 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".

These unaudited interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year. The accounting policies used in the preparation of the interim consolidated financial statements conform to those used in the Company's annual financial statements and reflect all normal and recurring adjustments considered necessary to fairly state the results for the periods presented.

These unaudited interim consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements for the year ended December 31, 2006.

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. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments 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 include investments which have a term to maturity at the time of purchase in excess of ninety days. These investments are readily convertible into cash.

(expressed in Canadian dollars)

Capital assets

Capital assets are initially recorded at cost and are then amortized using the declining balance method at the following annual rates: computers at 30%, software at 50%, office furniture at 20%, field vehicles at 30% and field equipment at 30%.

Mineral exploration property and deferred exploration expenditures

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. The interest cost of debt directly attributable to the financing of mineral property acquisitions is capitalized during the exploration and development period. When production is attained, these costs will be amortized. If properties are abandoned or considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Expenditures of a general reconnaissance nature are expensed to general exploration in the statement of operations and deficit.

Asset retirement obligations

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. The carrying amount of the related long-lived asset is increased by the same amount of the liability.

Stock-based compensation

All stock-based payments made to employees and non-employees are accounted for in the financial statements. Compensation cost is measured at the grant date based on the fair value of the reward and compensation expense is recognized over the related service period. Compensation cost recorded related to contractor shares and stock options is charged to expense or is capitalized to deferred exploration expenditures when related to direct exploration activities.

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 rates of exchange in effect when the assets were acquired or obligations incurred. Expenses are translated at exchange rates in effect at the date 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 that 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 when it is more likely than not that such assets will not be realized.

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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.

New accounting pronouncements

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The adoption of these standards did not have a significant impact on these financial statements.

3. Bonding and other deposits

Bonding and other deposits include \$322,154 (December 31, 2006 – \$107,532) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Once the reclamation is complete, the bonding deposits will be returned to the Company. As at June 30, 2007, bonding and other deposits also include \$238,343 (US \$225,000) on deposit with trade vendors.

4. Capital assets

	June 30, 2007 (unaudited)			December 31, 2006		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computers	78,268	13,936	64,332	31,347	5,544	25,803
Software	55,847	4,927	50,920	531	175	356
Office furniture	54,965	11,032	43,933	36,806	6,346	30,460
Field vehicles	267,446	51,190	216,256	114,212	21,646	92,566
Field equipment	127,888	10,869	117,019	4,277	1,146	3,131
	584,414	91,954	492,460	187,173	34,857	152,316

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5. Mineral exploration properties and deferred exploration expenditures

	Canada			USA		Total
	Thelon	Hornby Bay	Bugs	Lost Creek/ Lost Soldier	Other Wyoming & South Dakota	
	\$	\$	\$	\$	\$	\$
<i>Mineral exploration properties:</i>						
Balance, December 31, 2005	225,351	33,149	-	23,615,291	3,101,272	26,975,063
Property acquisition costs	3,543	-	29,000	-	1,281,396	1,313,939
Property staking and claim costs	18,446	562	-	62,360	315,242	396,610
Interest capitalized	-	-	-	1,773,152	160,493	1,933,645
Triex Minerals Corp. option payment	-	(25,000)	-	-	-	(25,000)
Energy Metals property swap	-	-	-	-	91,980	91,980
Write-off of mineral property costs	(33,832)	-	-	-	-	(33,832)
Balance, December 31, 2006	213,508	8,711	29,000	25,450,803	4,950,383	30,652,405
Property acquisition costs	-	-	-	-	103,372	103,372
Property staking and claim costs	38,126	-	509	147,150	166,443	352,228
Interest capitalized	-	-	-	407,951	36,925	444,876
Reduction in capitalized interest	-	-	-	(1,848,815)	(167,341)	(2,016,156)
Balance, June 30, 2007 (unaudited)	251,634	8,711	29,509	24,157,089	5,089,782	29,536,725
<i>Deferred exploration expenditures:</i>						
Balance, December 31, 2005	1,815,255	409,051	-	1,887,878	3,071,508	7,183,692
Geology	395,409	11,620	4,455	1,904,086	262,290	2,577,860
Geophysical	437,335	300	28,133	31,378	-	497,146
Geochemistry	406,827	12,737	-	-	-	419,564
Permitting and environmental	334,078	-	-	1,098,124	128	1,432,330
Engineering hydrology	-	-	-	347,813	-	347,813
Reclamation	-	-	-	20,640	-	20,640
Project consulting	-	-	-	10,108	-	10,108
Report preparation	-	-	-	25,480	-	25,480
Drilling	240	-	-	1,006,087	-	1,006,327
Assaying	300	-	-	34,954	-	35,254
Surveying	-	-	-	-	8,334	8,334
Data acquisition and related costs	-	-	-	-	99,209	99,209
Energy Metals property swap	-	-	-	-	(91,980)	(91,980)
Write-off of deferred exploration	(19,380)	-	-	-	-	(19,380)
Balance, December 31, 2006	3,370,064	433,708	32,588	6,366,548	3,349,489	13,552,397
Geology	160,220	-	27,930	1,853,451	72,227	2,113,828
Geophysical	5,460	-	2,170	78,863	-	86,493
Geochemistry	18,542	-	20,670	-	-	39,212
Permitting and environmental	152,350	-	840	865,139	7,909	1,026,238
Engineering hydrology	-	-	-	434,949	-	434,949
Reclamation	-	-	-	109,648	-	109,648
Drilling	4,058	-	-	963,220	-	967,278
Assaying	-	-	-	35,350	-	35,350
Surveying	-	-	-	895	-	895
Data acquisition and related costs	-	-	-	222	4,209	4,431
Equipment depreciation	-	-	-	26,156	-	26,156
Land management costs	-	-	-	3,367	56,205	59,572
Balance, June 30, 2007 (unaudited)	3,710,694	433,708	84,198	10,737,808	3,490,039	18,456,447

(expressed in Canadian dollars)

Thelon

The Company's Thelon Basin projects include Screech Lake, Eyeberry and Gravel Hill and are located in the Northwest Territories, Canada.

Hornby Bay

The Company's Hornby Bay projects in Nunavut, Canada include the Dismal Lake and Mountain Lake claim groups.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and West Dismal properties. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option, and obtain a 100% interest, Triex must incur a further \$500,000 in exploration spending by September 30, 2007. The Company will retain a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Bugs

The Bugs property is located in the Kivalliq region of Nunavut.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement 25,000 common shares are issuable for an additional 30% interest and on the second anniversary 50,000 common shares are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

R-Seven and Rook I

During June 2007, the Company signed a letter of intent with Titan Uranium Incorporated ("Titan") whereby the Company can earn up to an undivided 51% working interest in Titan's R-Seven and Rook I properties located in the Athabasca Basin, Saskatchewan by funding \$9 million in exploration programs managed by Titan over a 4-year earn-in period. The option agreement calls for annual expenditures of \$2 million in each of the first three years with a further \$3 million in year four. Vesting of a 25% working interest will be at the Company's election after the expenditure of \$4 million in the second year of the agreement. Upon the expenditure of an additional \$2 million in year three, the Company will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3 million in year four. Upon completion of the earn-in phase, the Company and Titan will proceed as joint venture partners with the Company becoming project operator.

United States - Wyoming & South Dakota

On February 3, 2005, the Company entered into a letter of intent with Dalco Inc. (the "Dalco LOI"). Under the terms of the Dalco LOI, the Company had an option to acquire certain patented and unpatented claims and land records for the property located in Wyoming, USA together with exploration records, drill log files and related data (collectively the "Radon Springs Property"). The Company paid Dalco US\$25,000 upon signing the Dalco LOI and the Company issued 25,000 common shares to Dalco in order to acquire a 25% interest in the Radon Springs Property. These common shares were issued on June 3, 2005.

On July 20, 2005, the Company concluded a definitive agreement with Dalco (the "Dalco Agreement"). Under the terms of the Dalco Agreement, the Company increased its interest in the Radon Springs Property to 50% by providing an additional US \$50,000 and 50,000 common shares during November 2005. During November 2006, the Company increased its interest to 75% by providing an additional US \$100,000 and 100,000 common shares. The Company has the right to acquire the remaining 25% interest, for a 100% interest, by providing an additional US \$150,000 and 150,000 common shares on or before December 3, 2007, subject to Dalco retaining a production royalty of 3% on the total gross proceeds received by the Company on the sale of U₃O₈ ("Yellowcake") extracted from uranium ores from the Radon Springs Property. The Company has the exclusive right to manage and operate the Radon Springs Property and is responsible for 100% of the exploration and development expenditures on the project.

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On March 6, 2005, the Company entered into a letter of intent with New Frontiers Uranium LLC, a Colorado limited liability company (the "New Frontiers LOI"). Under the terms of the New Frontiers LOI, the Company was entitled to acquire certain Wyoming USA properties, subject to satisfactory completion of due diligence within 90 days after March 11, 2005. The Company completed due diligence requirements during June of 2005 and entered into definitive agreements effective June 30, 2005 (the "New Frontiers Agreements").

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC which holds the majority of the Company's Wyoming properties, including the Lost Creek and Lost Soldier projects, for total consideration of \$24,515,832 (US \$20,000,000) (see note 7).

On April 6, 2006, the Company announced it had entered into an agreement with Energy Metals Corporation ("Energy Metals") to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock and Chalk Hills projects to Energy Metals for their holdings in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals' unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company's unpatented "F" mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with the unpatented "Rita" mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a 1/2% royalty on future production of uranium from the properties. The fair value of these properties is not reliably determinable; therefore, the accumulated historical costs of the Shamrock and Chalk Hills projects have been recorded as the accounting basis of the Bootheel property received. Historic property costs related to the Shamrock and Chalk Hills projects was \$332,090 and deferred exploration costs with respect to the projects was \$91,980.

On June 16, 2006, the Company entered into a data purchase agreement with Power Resources Inc. ("PRI") related to the Bootheel project area. The Company paid \$99,209 (US \$90,000) related to the acquisition of this data. The data acquired relates to historical drill hole geophysical logs, lithologic logs, drill hole maps and geologic cross sections. Under the terms of the agreement, the Company will provide the seller with a 1% royalty on future uranium and associated minerals produced from the property.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming, consisting of certain unpatented mining claims in four claim blocks. The Company purchased the properties for an aggregate consideration of 250,000 common shares of the Company. Additionally, on September 29, 2006, the Company acquired additional unpatented mining claims relating to one of these claim blocks for cash consideration of US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and

During October 2006, the Company acquired certain State of South Dakota Mineral Leases in Harding County, northwest South Dakota for cash consideration of \$158,431.

During May 2007, the Company acquired an additional data package from Power Resources Inc. pertinent to exploration and development in the Shirley Basin, Wyoming for \$99,028 (US \$90,000). The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from previous operators. The data purchase agreement includes a 1% royalty interest payable to PRI on uranium and associated minerals and materials produced from the Bootheel and Buck Point properties.

During June 2007, the Company entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining Corporation resulting in the formation of NFUR Bootheel LLC and the Bootheel Project LLC covering an area of known uranium occurrences in Albany County, Wyoming in the Shirley Basin. Under the terms of the agreement, the Company will contribute its Bootheel and Buck Point properties which are comprised of 279 mining claims and two state leases. The Company will make any data covering its Bootheel and Buckpoint properties, and certain other data, available to the venture with Target. Target will contribute US \$3 million in exploration expenditures and issue a total of 125,000 common shares of Target to the Company over a four year period in order to earn a 75% participating interest in the two uranium properties. Minimum exploration expenditures of US \$750,000 are required in each year during the four year earn-in period. Target will be the operator of the Bootheel Project.

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During June 2007, the Company entered into agreements with Trigon Uranium Corporation ("Trigon") resulting in the formation of NFUR Hauber LLC and the Hauber Project LLC. The Company will contribute its Hauber property located in Crook County, Wyoming, consisting of 205 unpatented lode mining claims and one state uranium lease. Pursuant to the terms of the agreements, Trigon can earn a 50% ownership interest in the project by contributing a total of US \$1.5 million in exploration expenditures to the project over three years. Minimum exploration expenditures of US \$350,000 are required in year one of the earn-in period with US \$575,000 in years two and three. Trigon will act as manager of the project. The agreements further provide that after Trigon has earned the 50% ownership interest, Trigon has the option to acquire an additional 1% ownership interest by making an additional payment of US \$1.0 million for project exploration and expenditures. If Trigon does not exercise this option, the Company may do so for the same payment contribution. The agreements provide for a sixty day environmental due diligence period, at the outset, during which Trigon will conduct an independent study to confirm that there are no manmade environmental hazards or other environmental liabilities prior to the commencement of the project.

6. Capital stock

Authorized

The Company is authorized to issue an unlimited number of 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.

Issued

	Common Shares #	Amount \$	Warrants #	Amount \$
Balance, December 31, 2005	47,204,040	22,243,625	13,090,560	2,431,702
Common shares issued for cash, net of issue costs	9,204,727	20,062,699	-	-
Exercise of warrants	13,483,134	13,701,383	(13,483,134)	(2,546,458)
Expired warrants	-	-	(32,800)	(4,350)
Exercise of compensation options	1,337,904	1,975,223	588,250	164,710
Exercise of stock options	106,500	206,152	-	-
Common shares issued for properties	360,000	990,000	-	-
Common shares issued for services	1,778,747	1,303,824	-	-
Tax effect of flow-through shares	-	(1,246,500)	-	-
Balance, December 31, 2006	73,475,052	59,236,406	162,876	45,604
Common shares issued for cash, net of issue costs	17,431,000	77,503,307	-	-
Exercise of warrants	156,209	229,154	(156,209)	(43,737)
Expired warrants	-	-	(6,667)	(1,867)
Exercise of compensation options	54,778	105,309	-	-
Exercise of stock options	563,200	1,123,844	-	-
Balance, June 30, 2007 (unaudited)	91,680,239	138,198,020	-	-

No Class A preference shares have been issued.

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2007 issuances

During April 2007, the Company announced a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, on a bought deal basis, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share.

On May 1, 2007, the Company filed a final short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to this bought deal financing. This bought deal financing closed on May 10, 2007. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters' commissions were \$5,293,943.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants, a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares were issued upon the exercise of stock options.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming. The Company purchased the properties for an aggregate consideration of 250,000 common shares which were valued at \$515,000.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunuvut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issuable. These common shares were valued at \$29,000.

In November 2006, the Company issued 100,000 common shares pursuant to the terms of the Dalco Agreement in connection with the Company's Radon Springs Project in Wyoming. These common shares were valued at \$446,000

A total of 1,778,747 common shares were issued for services to directors, officers and contractors of the Company

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to the entire total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 has been recorded as a reduction of capital stock during the year.

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Director, officer and contractor shares for service

The Company had approved the potential issuance of a total of 2,760,000 common shares to directors, officers and contractors of the Company to compensate for services provided to the Company under various service contracts. Vesting of the balance of 613,679 common shares issuable under these service contracts was accelerated during September of 2006. Including this final balance of contractor shares recorded during the third quarter of 2006, the Company recorded a total of 1,478,747 common shares valued at \$736,824 with respect to these service contracts during the year ended December 31, 2006. Of that total, \$590,354 was charged to stock based compensation expense and \$146,470 was capitalized as deferred exploration expenditures.

On May 24, 2006, the Company issued a total of 300,000 common shares for service to the President and Chief Executive Officer of the Company as a performance bonus. The issuance of these common shares was approved by the Company's shareholders on May 17, 2006. These common shares were fully vested upon issuance and were valued at \$567,000. These common shares were recorded as a stock based compensation expense in general and administrative expense.

Warrants

As at June 30, 2007, the Company had a total of nil (December 31, 2006 – 162,876) common share warrants outstanding.

The fair value of warrants issued has been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. As at December 31, 2006, the remaining value allocated to outstanding warrants was \$45,604. The assumptions used for the valuation of warrants are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate 4% and an expected life of the warrants of two years.

Compensation options and compensation option warrants

The Company has provided compensation options to agents who refer investors to the Company. Compensation options are exercisable into equity instruments having the same attributes as those purchased by the referred investor. As at June 30, 2007, the Company had outstanding a total of 55,568 (December 31, 2006 – 110,346) compensation options exercisable at \$1.25 per share until November 29, 2007.

The fair value of compensation options issued has been estimated using the Black-Scholes option pricing model and this value has been presented as contributed surplus within shareholders' equity and recorded as a share issue cost. As at June 30, 2007 the balance allocated to compensation options is \$37,370 (December 31, 2006 – \$74,208). The assumptions used for the valuation of compensation options are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate of 4% and an expected life of the options of one to two years.

Stock options

On November 17, 2005, the Company's Board of Directors approved the adoption of the Company's stock option plan (the "Plan"). Eligible participants under the Plan include directors, officers, employees and consultants of the Company. Under the terms of the Plan, options generally vest with 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.

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. These stock options were determined to have a fair value at grant of \$2.20 per share. On February 19, 2007, the Company granted 600,000 stock options to a new executive officer. These stock options are exercisable at \$5.03 per share and expire February 15, 2012. These stock options were determined to have a fair value at grant of \$2.71 per share. On May 23, 2007, the Company granted a total of 2,100,000 stock options to directors, officers, employees and contractors of the Company. These stock options are exercisable at \$4.75 per share and expire May 15, 2012. These stock options were determined to have a fair value at grant of \$2.45 per share.

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Activity with respect to stock options is summarized as follows:

	Number	Weighted- average exercise price \$	Expiry
Outstanding, December 31, 2005	4,375,000	1.25	November 17, 2010
Forfeited	(897,500)	1.25	November 17, 2010
Exercised	(106,500)	1.25	November 17, 2010
Granted on March 24, 2006	75,000	2.01	March 25, 2011
Granted on April 21, 2006	1,525,000	2.35	April 21, 2011
Granted on September 26, 2006	435,000	2.75	September 26, 2011
Outstanding, December 31, 2006	5,406,000	1.69	November 17, 2010 to September 26, 2011
Exercised	(538,200)	1.25	November 17, 2010
Exercised	(25,000)	2.35	April 21, 2011
Granted on January 3, 2007	200,000	4.08	January 1, 2012
Granted on February 19, 2007	600,000	5.03	February 15, 2012
Granted on May 23, 2007	2,100,000	4.75	May 15, 2012
Outstanding, June 30, 2007 (unaudited)	7,742,800	2.87	November 17, 2010 to May 15, 2012

As at June 30, 2007 outstanding stock options are as follows:

Exercise price \$	Options outstanding		Options exercisable		Expiry
	Number of options	Weighted- average remaining contractual life (years)	Number of options	Weighted- average remaining contractual life (years)	
1.25	2,832,800	3.4	2,832,800	3.4	November 17, 2010
2.01	75,000	3.8	57,000	3.8	March 25, 2011
2.35	1,500,000	3.8	1,140,000	3.8	April 21, 2011
2.75	435,000	4.3	234,900	4.3	September 26, 2011
4.08	200,000	4.5	64,000	4.5	January 1, 2012
4.75	2,100,000	4.9	210,000	4.9	May 15, 2012
5.03	600,000	4.6	60,000	4.6	February 15, 2012
	7,742,800	4.0	4,598,700	3.6	

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
June 30, 2007

(expressed in Canadian dollars)

During the six month period ended June 30, 2007, the Company recorded a total of \$3,078,057 related to stock option compensation. Of that total, \$1,701,247 was charged to stock based compensation expense and \$1,376,810 was capitalized as deferred exploration expenditures. This amount is included in shareholders' equity as contributed surplus and is recorded as an expense or as deferred exploration expenditures. This value was determined using the Black-Scholes option pricing model with the following assumptions:

	<u>2007</u>	<u>2006</u>
Expected volatility	63% - 67%	67% - 72%
Expected option life (in years)	4.0	3.5 - 4.0
Risk-free interest rate	4.25% - 4.29%	3.96% - 4.17%
Expected dividend yield	0%	0%

Contributed surplus

Amounts recorded as contributed surplus in shareholders' equity relate primarily to the fair value of compensation options and stock options. Activity with respect to contributed surplus is summarized as follows:

	\$
Balance, December 31, 2005	1,093,086
Exercise of compensation options	(694,436)
Stock option charges	2,348,163
Exercise of stock options	(72,822)
Expired warrants	4,350
Balance, December 31, 2006	2,678,341
Exercise of compensation options	(36,838)
Stock option charges	3,078,057
Exercise of stock options	(392,343)
Expired warrants	1,867
Balance, June 30, 2007 (unaudited)	5,329,084

7. New Frontiers obligation / Acquisition of NFU Wyoming LLC

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC, a newly formed Wyoming limited liability corporation, holding certain Wyoming properties for total consideration of US \$20,000,000. The balance of the purchase price of US\$15,000,000 was payable by way of a promissory note. The Company had pledged its entire interest in NFU Wyoming LLC as collateral for amounts due under the promissory note. The purchase price of \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation was recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due, including interest, at maturity. The effective interest rate was 12.04%. Interest accrued on the New Frontiers obligation was capitalized to Wyoming mineral property assets.

On June 6, 2007, the Company repaid the outstanding balance of the New Frontiers obligation in full providing cash of \$11,955,375 (US \$11,250,000). On June 28, 2006 the Company provided the first anniversary installment of US \$5,000,000. The Company's election for early repayment of the balance due resulted in reduced interest charges such that previously accrued interest of \$2,016,156 (US \$1,744,229) was not payable. This amount was recorded as a reduction of the related Wyoming mineral property assets during the second quarter of 2007.

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
June 30, 2007

(expressed in Canadian dollars)

8. Asset retirement obligation

The Company has recorded \$103,811 for asset retirement obligations which represent an estimate of costs that would be incurred to restore exploration and development properties to the condition that existed prior to the Company's exploration or development activities. Presently, retirement obligations recorded relate entirely to exploration and development drill holes on Wyoming, USA properties.

9. 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:

Period ending December 31,	2007	\$
	2008	95,800
	2009	229,200
	2010	107,800
	2011	96,700
	Thereafter	96,700
		<u>64,500</u>
		<u>690,700</u>

The Company has established a corporate credit card facility with a US bank for use by officers and employees of the Company. This facility has an aggregate borrowing limit of US \$250,000. The Company has provided a letter of credit and a guaranteed investment certificate in the amount of \$287,500 as collateral for this facility.

10. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

11. Segmented information

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

	June 30, 2007(unaudited)		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,826	480,634	492,460
Mineral exploration properties	289,854	29,246,871	29,536,725
Deferred exploration expenditures	4,228,600	14,227,847	18,456,447

	December 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,258	141,058	152,316
Mineral exploration properties	251,219	30,401,186	30,652,405
Deferred exploration expenditures	3,836,360	9,716,037	13,552,397

Form 52-109F2 - Certification of Interim Filings

I, Roger Smith, of **Ur-Energy Inc.** as Chief Financial Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc.(the issuer) for the interim period ending June 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: August 10, 2007

(signed) "Roger Smith"

Roger Smith
Chief Financial Officer

Form 52-109F2 - Certification of Interim Filings

I, W. William Boberg, of **Ur-Energy Inc.** as President and Chief Executive Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the interim period ending June 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: August 10, 2007

(signed) "W. William Boberg"

W. William Boberg
Chief Executive Officer

UR-ENERGY INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Month Periods Ended September 30, 2007

(Information as at November 8, 2007 unless otherwise noted)

Introduction

The following provides management's discussion and analysis of results of operations and financial condition for the three and nine month periods ended September 30, 2007 and 2006. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on November 8, 2007.

This discussion and analysis should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2006 and 2005. The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles. 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 ("NFU"), Lost Creek ISR, LLC, The Bootheel Project, LLC, NFUR Bootheel, LLC, Hauber Project LLC, NFUR Hauber, LLC, ISL Resources Corporation ("ISL"), 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".

Forward-Looking Statements

This Management Discussion and Analysis may contain or refer to certain forward-looking statements relating to expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, those listed in the "Risk Factors" section of the Company's Annual Information Form dated March 21, 2007 which is filed on SEDAR, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration or development requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Potential shareholders and prospective investors are also cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking

information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company is focused on uranium exploration in the following areas: (i) Wyoming, USA where the Company has twelve properties. Of those twelve properties, nine are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin; (ii) South Dakota, USA where the Company has acquired certain mineral leases in Harding County, known as the Harding property; (iii) the Thelon Basin, Northwest Territories in northern Canada where it has three properties known as Screech Lake, Eyeberry and Gravel Hill; (iv) Hornby Bay, Nunavut in northern Canada where it has a royalty interest in two properties known as Dismal Lake West and Mountain Lake; (v) the Bugs property in the Kivalliq region of the Baker Lake Basin, Nunavut, Canada which is subject of an option agreement; and, (vi) R-Seven and Rook 1 properties in the Athabasca Basin, Saskatchewan which are subject of the option agreement with Titan Uranium Inc.

Selected Interim Information

The following table contains selected interim financial information for the three and nine month periods ended September 30, 2007 and 2006 and cumulative information from inception of the Company on March 22, 2004 to September 30, 2007.

	Three month period ended September 30, 2007 \$ (unaudited)	Three month period ended September 30, 2006 \$ (unaudited)	Nine month period ended September 30, 2007 \$ (unaudited)	Nine month period ended September 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to September 30, 2007 \$ (unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil
Total expenses	(2,448,489)	(1,603,745)	(6,939,987)	(4,544,894)	(15,340,306)
Interest income	948,494	143,856	1,936,988	371,452	2,704,584
Foreign exchange gain (loss)	(1,417,542)	5,519	(559,354)	466,448	158,986
Loss before income taxes	(2,927,537)	(1,454,370)	(5,572,353)	(3,706,994)	(12,486,736)
Recovery of future income taxes	Nil	32,000	Nil	272,000	896,000
Net loss for the period	(2,927,537)	(1,422,370)	(5,572,353)	(3,434,994)	(11,590,736)
Loss per common share - Basic and diluted	(0.03)	(0.02)	(0.07)	(0.06)	
Cash dividends per common share	Nil	Nil	Nil	Nil	

	As at September 30, 2007 (unaudited)	As at December 31, 2006
Total assets	138,829,594	73,479,712
New Frontiers obligation	Nil	14,713,495
Long-term future income tax liability	2,188,000	2,188,000

The Company has not generated any revenue from its operating activities from inception to date. The Company's expenses include costs for management fees, promotion, regulatory authority and transfer agent fees, professional fees, general and administrative costs, general exploration expense, write-off of deferred exploration expenditures and amortization of capital assets. The Company has recorded significant stock based compensation costs which are included in management fees, promotion and general and administrative costs or capitalized as a component

of deferred exploration expenditures. Costs directly related to exploration projects are initially capitalized as either mineral exploration property costs or deferred exploration expenditures.

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.

Overall Performance and Results of Operations

The Company has advanced its plans rapidly from incorporation on March 22, 2004 to date. From inception to September 30, 2007, the Company has raised total net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants, compensation options and stock options of \$136.0 million. As at September 30, 2007, the Company held cash and cash equivalents and short-term investments of \$82.8 million. The Company's cash resources are invested with major banks in bankers' acceptances, guaranteed investment certificates, certificates of deposit, or money market accounts. The Company has made significant investments in mineral exploration properties and exploration expenditures.

Mineral Exploration Properties and Deferred Exploration Expenditures

During the three month period ended September 30, 2007, the Company expended cash of \$585,873 (Q3 2006 - \$179,411) on mineral exploration property costs. Significant components of this spending include the US \$150,000 payment to Dalco, Inc. to earn the final 25% interest in the Radon Springs Property. Additionally, the Company issued 150,000 common shares valued at \$469,500 with respect to the final earn-in on the Radon Springs Property. New property staking and claim costs of \$105,517 and \$117,118 were incurred for the LC North (formerly Lost Creek North) and EN (formerly Eagles Nest) projects, respectively. During the third quarter the Company issued 25,000 common shares with respect to the option agreement to acquire the Bugs property. These shares were valued at \$71,500.

During the nine months ended September 30, 2007, property costs included the second and final installment for acquisition of a data package from Power Resources Inc. (PRI) related to the Bootheel and Buck Point properties for \$99,028 (US\$90,000). The total purchase price was US \$180,000 which includes the first installment of \$90,000 paid upon execution of the data purchase agreement on June 26, 2006. The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from previous operators. The data purchase agreement includes a 1% royalty interest payable to PRI on uranium and associated minerals and materials produced from the properties.

During the second quarter of 2007, a total of \$2,016,156 (US \$1,744,231) of interest previously capitalized to Wyoming property assets was reversed. This amount of accrued interest was not payable upon early settlement of the New Frontiers obligation. During the first quarter of 2007, non-cash interest relating to the New Frontiers obligation of \$444,876 was capitalized to Wyoming projects.

During the nine month period ended September 30, 2007, the Company capitalized exploration expenditures totaling \$9.6 million. The majority of spending was on development of the Lost Creek and Lost Soldier projects in Wyoming. In total, approximately \$7.5 million or 78.5% was spent related primarily to geology, environmental permitting, engineering hydrology and drilling for development of the Lost Creek and Lost Soldier projects. A total of \$792,629 or 8.2% was

incurred primarily for drilling with respect to the R-Seven and Rook 1 properties under the Titan option agreement. A total of \$591,048 or 6.2% was incurred primarily for a geochemical radon survey with respect to the Bugs property. A total of \$427,166 or 4.4% was spent primarily on geology and environmental permitting for the Company's Screech Lake project in the Thelon Basin.

Wyoming Properties

Lost Creek project

The Lost Creek uranium deposit is located four miles north of Rio Tinto's Sweetwater mill in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometres) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 metres) and 700 feet (213 metres) in depth. National Instrument 43-101 ("NI 43-101") compliant resources (Roscoe Postle Associates Inc., June 15, 2006) for Lost Creek are 9.8 million pounds of U₃O₈ at 0.058 percent as an indicated resource and an additional 1.1 million pounds of U₃O₈ at 0.076 percent as an inferred resource. In 2006, 17 cased monitoring and pump test wells were completed on the property, and the initial testing was completed successfully.

Significant drilling was conducted during the second and third quarters of 2007 and was completed during September 2007. Four to five drill rigs operated to allow for completion of several separate phases of work on the project:

- Installation of pump test and monitor wells for baseline and engineering data;
- Orebody delineation wells to better define the orebody for well field planning;
- Condemnation wells to assure that the plant site will not be built on an ore deposit;
- Water wells for water for the drilling operation.

Completion of Phase I and Phase II of the drilling program resulted in 58 monitor and pump test wells, 2 water wells and 70 delineation wells. This has enabled the Company to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies; for the Wyoming Department of Environmental ("WDEQ") Permit to Mine application; for the US Nuclear Regulatory Commission ("NRC") Source Material License application; and, for the WDEQ Mine Unit #1 Permit application. In addition, six condemnation holes were drilled to make certain the potential target plant location was not over any part of the orebody

During the nine month period ended September 30, 2007, the Company incurred drilling costs totaling \$2,295,943 with respect to these activities on the Lost Creek project.

Mineralized intercepts in the 2007 drilling program continue to indicate that the mineralization at Lost Creek is commonly thicker than average mineralized roll fronts in the basin. Examples are LC45 in the HJ sand which was 27 feet (8.2 metres) thick at a grade of 0.121percent U₃O₈ and LC49 in the KM sand which was 25 feet (7.6 metres) thick at a grade of 0.064percent U₃O₈.

Several new areas for expansion of the resource base were identified in Phase II drilling. Based on these favorable results and early completion of Phase II drilling, the Company extended the program to include an additional 125 holes at its Lost Creek project. This drilling commenced in October 2007.

Engineering feasibility studies being conducted by the Company's in-house engineering team are well under way, including well field design and processing plant design:

- A proposed new processing plant is being designed and permitted to produce two million pounds of U_3O_8 yellowcake slurry per year with the capability to toll process loaded resin from other satellite ISR facilities.
- Capital equipment orders for long lead-time items will be placed early in 2008.
- Instead of building a satellite plant for resin loading, as anticipated in the preliminary plans, the Company plans to construct a full-scale processing plant which will be completed in stages. The first stage will produce yellowcake slurry and, at a later date, a second stage will add a drying and packaging facility.

On October 30, 2007, the Company submitted its Application to the US Nuclear Regulatory Commission for a Source Material License for its Lost Creek uranium production project. This license is the first stage of obtaining all necessary licenses and permits to enable the Company to recover uranium via in situ recovery method at the Lost Creek project. The collection and compilation of the extensive environmental background data for the Application has taken more than two years. The NRC has indicated that the application review process can take up to 18 months to complete.

The Company is presently completing the Lost Creek Mine Permit Application to be submitted to the Wyoming Department of Environmental Quality. Individual mine unit applications for each well field will be submitted starting in 2008 to cover each individual mine unit or well field that will be produced on the Lost Creek project. The Company is also completing its in-house engineering pre-feasibility study which is expected to be finalized during November 2007.

During the nine month period ended September 30, 2007 significant costs with respect to these activities for the Lost Creek project include geology costs of \$1,487,611; permitting and environmental costs of \$1,069,792; and, engineering hydrology costs of \$590,202. Drilling costs in the third quarter were \$1,336,237.

Lost Soldier project

The Lost Soldier project is located approximately 14 miles (22.5 kilometres) to the northeast of the Lost Creek project. The property has over 3,700 historical drill holes defining 14 mineralized sandstone units. NI 43-101 compliant resources (Roscoe Postle Associates, July 10, 2006) for Lost Soldier are 5.0 million pounds of U_3O_8 at 0.064percent as a measured resource, 7.2 million pounds of U_3O_8 at 0.065 percent as an indicated resource and 1.8 million pounds of U_3O_8 at 0.055 percent as an inferred resource.

All environmental baseline studies have been completed, with baseline groundwater and meteorological data collection continuing.

A scoping study is being completed by Pincock, Allen & Holt Engineering. This study will include an evaluation of the minability of additional shallow uranium resources which are above the water table and were not included in the Company's NI 43-101 compliant resource base for Lost Soldier.

During the nine month period ended September 30, 2007 significant costs with respect to the Lost Soldier project include geology costs of \$932,685; permitting and environmental costs of \$298,914; and, engineering hydrology costs of \$186,866.

USA exploration projects

An in-house team of geologists in the Company's Littleton, Colorado office has been doing an evaluation of the extensive well log and exploration database owned by the Company. During 2007, exploration will be carried out on five projects: three on 100 percent owned projects and two by other companies through exploration, development and operating ventures on Company properties (see "Bootheel Project / Target Exploration and Mining" and "Hauber Project / Trigon Uranium Corporation" below).

During the nine month period ended September 30, 2007, more than 13,000 additional acres of on-trend mineral properties were acquired and added to the Company's United States property portfolio. Total United States landholdings are now approximately 93,000 acres.

New drill targets in Wyoming, based on in-house uranium exploration models, have been developed for the RS (formerly Radon Springs), EN (formerly Eagles Nest) and the LC North (formerly Lost Creek North) project areas. Drill permit applications were submitted to the WDEQ for an exploration drilling program of 74 holes. Reclamation bonding to cover these drill permit applications was US \$644,000 during October 2007. Planned drilling includes a total of 50 hole locations for LC North, 20 for RS and 4 for EN. This drilling commenced during October 2007.

The 2007 budget for exploration on the RS, EN and LC North projects is approximately US \$2.0 million.

Bootheel Project / Target Exploration and Mining

During June 2007, the Company entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining Corporation and its subsidiary ("Target"). Under the terms of the agreement, the Company, through its wholly-owned subsidiary, NFUR Bootheel, LLC, contributed its Bootheel and Buck Point properties to The Bootheel Project, LLC. The properties cover an area of known uranium occurrences within the Shirley Basin in Albany County, Wyoming. The total project covers a defined area of approximately 6,000 acres. The primary goal is to move rapidly to the production of uranium, possibly by the in-situ recovery mining method.

The Bootheel and Buck Point properties contributed by the Company are comprised of 269 mining claims (279 less 10 overlapping claims after acquiring Energy Metals TD claims), and two state leases. Target will contribute US \$3 million in exploration expenditures and issue a total of 125,000 common shares of Target to the Company over a four year period in order to earn a 75% interest in The Bootheel Project, LLC. Minimum exploration expenditures of US \$750,000 are required in each year during the four year earn-in period. During August 2007, the Company received the initial installment of 50,000 Target common shares. Target will be the operator of the project.

Uranium mineralization was intersected on both properties during the late 1970s and the mineralization has the potential to be recovered by ISR methods. Uranium was discovered in the Shirley Basin in 1955 and production continued until 1992. Although the majority of commercial

production in the Shirley Basin was carried out by conventional mining methods, ISR methods were tested on several deposits.

Hauber Project / Trigon Uranium Corporation

During June 2007, the Company entered into agreements with Trigon Uranium Corporation and its subsidiary ("Trigon"). Under the terms of the agreements, the Company, through its wholly-owned subsidiary, NFUR Hauber, LLC, contributed its Hauber property to Hauber Project LLC. The Hauber property is located in Crook County, Wyoming and consists of 205 unpatented lode mining claims and one state uranium lease totaling approximately 5,160 acres. The property is over an area of identified uranium occurrences. Pursuant to the terms of the agreements, Trigon can earn a 50% ownership interest in Hauber Project LLC by contributing a total of US \$1.5 million in exploration expenditures to the project over three years. Minimum exploration expenditures of US \$350,000 are required in year one of the earn-in period with US \$575,000 required in years two and three. Trigon will act as manager of the project.

The agreements further provide that after Trigon has earned the 50% ownership interest, Trigon has the option to acquire an additional 1% ownership interest by making an additional payment of US \$1.0 million for project exploration and expenditures. If Trigon does not exercise this option, the Company may do so for the same payment contribution. The agreements provided for an environmental due diligence period during which Trigon was to conduct an independent study to confirm that there are no manmade environmental hazards or other environmental liabilities prior to the commencement of the project. During September 2007, Trigon notified the Company that pursuant to its environmental due diligence it had satisfied itself of this requirement.

Data Package Acquisition

During May 2007, the Company acquired a data package from Power Resources Inc. ("PRI") pertinent to exploration and development in the Shirley Basin, Wyoming for \$99,028 (US \$90,000). The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from such previous operators as Cherokee, Kerr McGee, URADCO (PP&L), and Mobil as well as historical feasibility reports from Dames & Moore and Nuclear Assurance.

The Company will make any data covering its Bootheel and Buckpoint properties, and certain other data, available to the venture it has with Target.

The data purchase agreement includes a 1% royalty interest payable to PRI on uranium and associated minerals and materials produced from the Bootheel and Buck Point properties which include 269 lode mining claims and 2 State of Wyoming mineral leases.

Canadian Properties

R-Seven and Rook I Properties, Athabasca Basin

During June 2007, the Company announced it had signed a letter of intent with Titan Uranium Incorporated whereby the Company can earn up to an undivided 51% working interest in Titan's R-Seven and Rook I properties by funding \$9 million in exploration programs managed by Titan over a 4-year earn in period. Diamond drilling on the property began in early July, 2007 with a

first year expenditure commitment of \$2.0 million. A definitive option agreement was completed during August 2007.

The option agreement calls for annual expenditures of \$2 million in each of the first three years with a further \$3 million in year four. Vesting of a 25% working interest will be at the Company's election after the expenditure of \$4 million in the second year of the agreement. Upon the expenditure of an additional \$2 million in year three, the Company will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3 million in year four. Upon completion of the earn-in phase, the Company and Titan will proceed as joint venture partners with the Company becoming project operator.

The R-Seven and Rook I properties include 17 mineral claims totaling 75,698 hectares (187,053 acres). The claims are located in the southwestern portion of Saskatchewan's Athabasca Basin. The claims cover a prospective magnetic trend that hosts a number of strong electro-magnetic conductors identified by airborne and ground geophysical surveys. Limited historical drilling on the Titan properties intersected graphitic metasediments, faults, elevated levels of pathfinder elements and alteration typically associated with uranium deposits. An electromagnetic conductor associated with uranium mineralization on the adjacent property extends onto the Titan ground.

Titan commenced drilling on the properties as part of a 2007 exploration program budget of C\$2 million. The program includes ground geophysical surveying and approximately 5,000 meters of diamond drilling. The drill targets are strong basement electromagnetic conductors defined by airborne and ground geophysical surveys that were completed in 2005 through 2007. During the third quarter of 2007, the Company recorded costs related to these activities which total \$792,629. These costs were primarily comprised of \$731,439 for drilling and \$55,515 for geophysics. The total balance was included in accounts payable at quarter end and was paid in October 2007.

Thelon Basin Properties

During the nine month period ended September 30, 2007, the Company recorded costs of \$427,166 with respect to the Thelon properties primarily relating to Screech Lake. Significant components of total costs include \$202,782 with respect to geology costs and \$153,663 with respect to environmental permitting costs.

During the year ended December 31, 2006 the Company incurred costs of \$437,335 with respect to additional ground geophysics for the Screech Lake property and \$406,827 of geochemistry costs with respect to additional radon survey work. Ground geophysics fieldwork was completed during the second quarter of 2006 and radon survey work was completed during the third quarter. Additionally, the Company incurred ongoing geology costs of \$395,409.

During the year ended December 31, 2006 environmental permitting and related costs totaled \$334,078. In July 2006, an environmental screening study was completed on the Screech Lake Project. In September 2006, an application for a land use permit to conduct drill testing of the Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board ("Review Board") for environmental assessment. The environmental assessment was completed on February 28, 2007. The land use permit is required in order to commence drilling on the Screech Lake property.

A report and recommendation from the Review Board was issued on May 7, 2007. The Review Board recommended to the Minister of Indian and Northern Affairs Canada that the Company's application to conduct an exploratory drilling program at the Screech Lake property be rejected. In October 2007, the Company received notification that the Minister of Indian and Northern Affairs Canada had adopted the recommendation of the Review Board. As part of the decision, the Minister did confirm that the decision does not affect the legal standing of the Company's Screech Lake mineral claims. The Company is continuing to assess its options for pursuing its proposed exploration program at the Screech Lake property. The Company believes that it has proposed an exploration program which maintains the highest possible environmental standards. In the Company's application for a land use permit, extensive mitigation measures were proposed to ensure that the drilling program would have minimal short-term environmental impact and no long-term effect.

Hornby Bay Properties

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and Dismal Lake West properties. The Mountain Lake property comprises 41 claims and the Dismal Lake West property comprises 17 claims. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option to obtain a 100% interest in the properties, Triex was to incur a further \$500,000 in exploration spending by September 30, 2007. The Company received notice from Triex during October 2007 that the expenditure requirements had been met. The Company retains a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Triex is the operator of a 50:50 joint venture with Pitchstone Exploration Ltd. exploring for uranium on various properties which cover approximately 221,000 hectares in the Hornby Basin. Their 2007 exploration budget is \$2.3 -million. The 2007 program is focused mainly on drilling, which started on May 9, 2007 and continued into the third quarter. Included in the program were several holes planned for the western targets at Dismal Lake West which is located on the claims optioned from the Company. All holes are being tested down-hole by a Mount Sopris 2PGA-1000 poly-gamma probe survey. In addition to drilling, extensive prospecting and mapping, soil geochemistry, and ground-based resistivity surveys are also being done on the claims optioned from the Company which surround the joint venture's claims which cover the Mountain Lake uranium deposit. It is anticipated that complete results will be released in the fall when all analytical data has been received and analyzed by Triex. This work will refine targets for further drill testing in 2008.

The 2007 Triex drill program at Dismal Lake West is a follow-up of an airborne geotem magnetic and electromagnetic survey flown by Fugro Airborne Surveys for the Company in 2005, a subsequent radiometric survey flown by Triex in 2005, and extensive mapping, prospecting and soil geochemistry done by Triex in 2006. These surveys have outlined two targets which might be the source for the radioactive boulder field discovered on the property in the late 1970s. Results from the current program are expected to be released in the fall, when all analytical data have been received.

The Company did not incur any direct costs with respect to the Hornby Bay properties during the nine months ended September 30, 2007.

Bugs Property

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary in September 2007, an additional 25,000 common shares were issued for an additional 30% interest. These common shares were valued at \$71,500. On the second anniversary 50,000 common shares are issuable for a final 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of the Baker Lake Basin, Nunavut.

In the third quarter of 2007, the Company re-sampled the high-grade boulder area identified by historic Cominco work in the area conducted during the 1970s. New assays include values as high as 4.7% and 6.0%U₃O₈. Sampling of several bostonite occurrences averaged 250 ppm uranium over significant widths. Two of the larger bostonite intrusions (Shrike and Gamma) were prospected for strike lengths of 800m to 1km, respectively. Extensive RadonEx Ltd. radon surveys were successful in outlining poorly exposed bostonite occurrences over several kilometres in length. The radon surveys also located an area of extremely high radon flux which is interpreted by the Company to indicate a concentration of hydrothermal uranium mineralization - the Lowkey Lake Zone. This area will be one of the first priority drill targets.

Limited drilling by Cominco in 1979 was unsuccessful in tracing the high-grade occurrences to depth. The Company attributes this to an over-emphasis on the stratigraphic as opposed to the hydrothermal aspect of the mineralization. Three holes, however, drilled through bostonite bodies contained an average of 225 ppm uranium with higher uranium values along wallrock contacts. This mineralization presents the Company with discovery potential of possible low-grade but high tonnage resources. In 2006, a fixed wing aeromagnetic and radiometric survey was flown over the entire property by Tundra Airborne Surveys. The data from this survey have been reprocessed using FastMag 3D(TM) normalized sections.

Interpretation of airborne magnetic and radiometric surveys resulted in the selection of seven targets based upon structural offset and dilation features in combination with magnetite depletion. Only one of the seven targets was examined in 2007; the remainder will be prospected and surveyed for their radon signatures in 2008.

Total costs incurred during the nine month period ended September 30, 2007 for the Bugs property were \$591,048. A total of \$402,907 related to the geochemical radon survey and \$182,910 related to geology.

The Company intends to apply for land use permitting in anticipation of a summer 2008 drilling program. Anticipated targets include the Lowkey Lake Zone, the Gamma and Shrike bostonite bodies, and subsequent anomalies detailed from examination of the seven geophysical targets. Radon surveys combined with ground prospecting will be used to further define target areas prior to drilling.

Expenses

Total expenses for the three month period ended September 30, 2007 were \$2,448,489 (Q3 2006 - \$1,603,745). Total expenses include costs incurred with respect to Company promotion of \$217,753; regulatory authority and transfer agent fees of \$17,484; professional fees primarily relating to legal, accounting and audit services of \$145,087; general and administrative costs relating to Company finance, administration and each of the corporate offices, including stock based compensation charges for stock options, of \$1,666,302; general exploration expenses of \$384,797; and amortization of capital assets of \$17,066.

During the three month period ended September 30, 2007, the Company recorded significant non-cash stock based compensation charges related to stock options. In total, expenses recorded related to stock options were \$1,042,069 (Q3 2006 - \$475,861). These non-cash charges to expense represent approximately 43% of total expenses and approximately 36% of net loss for the quarter. Significant components of this total include \$954,277 recorded in general and administrative expense and \$87,792 recorded in promotion expense for stock options provided to directors, officers, employees and contractors of the Company. During the nine month period ended September 30, 2007 a total of \$2,743,316 (2006 - \$994,277) was charged to expenses related to stock options.

In general, total expenses and expenses in most categories have increased when comparing the three and nine month periods ended September 30, 2007 to the same periods in 2006. The primary reasons for this include: increased promotion costs related to attendance at industry conferences and related travel; increased general administrative costs relating to our Denver, Colorado and Casper, Wyoming offices and to general corporate finance and administrative costs; increased general exploration costs as we continue to pursue various new prospects for the Company; and, significantly increased stock based compensation charges.

The Company will continue to incur significant charges related to stock based compensation as the fair value of its stock options granted is expensed over their 18 month vesting period. As at September 30, 2007, the total fair value of stock options, related to options outstanding to be recorded over the coming five quarters is approximately \$5.5 million. Charges to record the fair value of stock options give rise to both expenses and amounts capitalized to projects as deferred exploration.

Loss before Income Taxes and Net Loss

The Company's cash resources are invested with major banks in bankers' acceptances, guaranteed investment certificates, certificates of deposit, and money market accounts. During the three month period ended September 30, 2007, the Company earned interest income on these investments of \$948,494 (Q3 2006 - \$143,856). During the nine month period ended September 30, 2007, the Company earned interest income on these investments of \$1,936,988 (2006 - \$371,452). Interest income was significantly higher in the third quarter and year to date due to the proceeds of the bought deal financing being invested from May 10 to September 30 during 2007.

During the three month period ended September 30, 2007, the Company recorded a foreign exchange loss of \$1,417,542. This foreign exchange loss arose due to cash balances held in US currency as the Canadian dollar strengthened relative to the US dollar particularly during September 2007. For the nine month period ended September 30, 2007, the Company had a net foreign exchange loss of \$559,354. This net loss arose from losses on US cash balances held net

of gains experienced on the US dollar denominated New Frontiers obligation which was fully repaid during the second quarter of 2007.

Loss Per Common Share

Both basic and diluted loss per common share for the three month period ended September 30, 2007 were \$0.03 (Q3 2006 – \$0.02) . Both basic and diluted loss per common share for the nine month period ended September 30, 2007 were \$0.07 (2006 – \$0.06) . For the three and nine month periods ended September 30, 2007 and 2006, 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 September 30, 2007, the Company had cash and cash equivalents and short-term investments of \$82,753,927 and working capital of \$81,378,765. On May 10, 2007, the Company completed a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters commissions were \$5,298,634.

During the nine month period ended September 30, 2007, the Company realized cash proceeds from the exercise of previously issued warrants, compensation options and stock options totaling \$1,327,587. During the same period, the Company invested cash of \$8,368,080 in mineral exploration properties, deferred exploration expenditures, bonding and other deposits and capital assets; and, used \$4,476,645 cash in operations.

During June 2007, the Company fully repaid the New Frontiers obligation providing a final payment of \$11,955,375 (US \$11,250,000). The Company elected to repay the New Frontiers obligation in full and avoid additional interest charges which would have accrued on June 30, 2007 and in subsequent years.

As at September 30, 2007, all of the previously outstanding warrants and substantially all compensation options had been exercised with a total of 5,568 compensation options outstanding. As at September 30, 2007, the Company had outstanding a total of 8,025,000 stock options with exercise prices ranging from \$1.25 to \$5.03. Upon exercise, these stock options would provide maximum cash proceeds of approximately \$23.3 million to the Company.

The Company has financed its operations from inception, to date, primarily through the issuance of equity securities and has no sources of cash flow from operations. The Company will not generate any cash flow from operations until it is successful in commencing production from its resource properties.

As at September 30, 2007, the Company's contractual obligations are summarized as follows:

Contractual Obligations	Payments Due by Period (All amounts in US dollars)				
	Total US \$	Less than 1 year US\$	1 to 3 years US\$	4 to 5 years US\$	After 5 years US\$
Office operating leases (1)	614,300	215,000	224,400	174,900	Nil

(1) The Company is committed to an operating lease for office premises in Littleton, Colorado. This operating lease has a term extending to January 2009. The Company has entered into an operating lease for office premises in Casper, Wyoming. This operating lease has a five year term extending to September 2012.

The Company has established a corporate credit card facility with a US bank for use by officers and employees of the Company. This facility has an aggregate borrowing limit of US \$250,000. The Company has provided a letter of credit and a guaranteed investment certificate in the amount of \$287,500 as collateral for this facility.

Financing Transactions

2007 issuances

On May 10, 2007, the Company completed a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters' commissions were \$5,293,943.

During the nine months ended September 30, 2007, the Company realized cash proceeds of \$1,327,587 related to the exercise of warrants, compensation options and stock options.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000. The proceeds of this offering are being utilized to fund Canadian exploration spending during 2007.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500. The proceeds of this offering were used primarily to fund the balance of the 2006 exploration programs in Canada.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants; a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares for the exercise of stock options. Total cash proceeds from these exercises were \$12,733,749.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to a total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 was recorded as a reduction of capital stock during 2006.

Acquisition of NFU Wyoming LLC / New Frontiers Obligation

Effective June 30, 2005, the Company concluded its acquisition of NFU Wyoming LLC. Under the terms of the purchase agreement, the Company acquired a 100% membership interest in NFU that holds the majority of the Company's Wyoming property assets, for total consideration of US \$20,000,000.

The Company was obligated to make minimum annual payments of US \$5,000,000, including interest, on the second, third and fourth anniversary of the closing. During June 2007, the Company elected to prepay the balance due and avoid future interest charges. The full repayment amount was \$11,955,375 (US \$11,250,000) including principle and accrued interest.

The purchase price of CDN \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation was recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due including interest at maturity. The effective interest rate was 12.04% . Upon full repayment of the New Frontiers obligation in June 2007 interest payable for full settlement was \$2,016,156 (US \$1,744,229) less than interest accrued under the effective rate method for accounting. This amount was recorded as a reduction of mineral property costs during the second quarter. Net interest which accumulated from acquisition to repayment totals \$1,433,109 (US \$1,250,000) and has been capitalized to Wyoming mineral property assets.

Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options and stock options as at October 31, 2007, September 30, 2007 and December 31, 2006 is as follows:

	October 31, 2007	September 30, 2007	December 31, 2006
Common shares	92,116,039	92,116,039	73,475,052
Warrants	-	-	162,876
Compensation options	5,568	5,568	110,346
Stock options	8,006,000	8,025,000	5,406,000
Fully diluted shares outstanding	100,127,607	100,146,607	79,154,274

On May 10, 2007, the Company issued 17,431,000 common shares in connection with the bought deal financing.

Stock options

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. On February 19, 2007, the Company granted 600,000 stock options to a new Vice President, Mining. These stock options are exercisable at \$5.03 per share and expire February 15, 2012. On May 23, 2007, the Company granted 2,100,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at \$4.75 per share and expire May 15, 2012. On July 25, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$3.67 per share and expire on July 15, 2012. On August 8, 2007, the Company granted a total of 437,500 stock options to officers and employees of the Company. These stock options are exercisable at \$3.00 per share and expire August 9, 2012. On September 17, 2007, the Company granted a total of 50,000 stock options to a new employee of the Company. These stock options are exercisable at \$3.16 per share and expire September 17, 2012. On October 5, 2007, the Company granted 50,000 stock options to a new employee. These stock options are exercisable at \$2.98 per share and expire October 5, 2012.

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.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments except for US dollar foreign currency risk with respect to cash balances held in US dollars. As at September 30, 2007, the Company held approximately US \$20.9 million in cash and cash equivalents. The Company has not entered into any foreign exchange contracts or other strategies to mitigate this risk.

The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Transactions with Related Parties

On May 24, 2005, the Company announced it had entered into a letter of intent with Patrician Diamonds Inc., a TSX Venture Exchange listed company that is a related company. At the time of entering into the transaction, each of the directors and officers of Patrician also acted as directors and officers of the Company. During February 2006, the Company and Patrician mutually agreed to cancel this arrangement and unwind the transaction.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and joint 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

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. When production is attained, these costs will be amortized. If properties are abandoned they are written off at that time. If properties are considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Management uses its best estimates for determining the fair value of mineral properties based on expenditures incurred, the results of any exploration conducted, prevailing market conditions and future plans for the projects.

The Company is required to record all equity instruments including warrants, 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 estimate the expected volatility of the Company's stock over the future life of the equity instrument and to estimate the expected life of the equity instrument. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results and by comparison to other companies in the uranium exploration and development segment.

Changes in Accounting Policies Including Initial Adoption

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The initial adoption of these standards did not have a significant impact on these financial statements.

Internal Controls

No changes have occurred in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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 dated March 21, 2007 which is filed on SEDAR.

Other Information

Other information relating to the Company may be found on the SEDAR website at www.SEDAR.com.

Corporate Information

Directors and Officers

Jeffrey T. Klenda, B.A., CFP – Chairman and Director
W. William Boberg, M. Sc., P. Geo. – President, CEO and Director
Harold Backer, B. Sc. – Executive Vice President
Wayne Heili, B. Sc. – Vice President, Mining
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – VP, Canadian Exploration
James M. Franklin, PhD, FRSC, P. Geo. – Chief Scientist and Director
Paul Macdonell, B. Public Admin. – Director, Audit and Compensation Committee Chair
Robert Boaz, M. Econ., Hons. BA – Director
Thomas Parker, B. Sc., M. Eng. – Director
Roger Smith, CPA, MBA – Chief Financial Officer and Vice President Finance, IT & Administration
Paul G. Goss – Corporate Counsel & Corporate Secretary

Corporate Offices

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Phone: (720) 981-4588

Canadian Exploration Office:
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Phone: (905) 456-5436

Registered and Principal Administrative Office:
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Manotick (Ottawa), Ontario K4M 1A3
Phone: (613) 692-7704

Web Site

www.ur-energy.com

Trading Symbol

TSX: URE

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa

Corporate Legal Counsel

McCarthy Tetrault, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Equity Transfer & Trust Company, Toronto

Ur-Energy Inc.

(a Development Stage Company)

Unaudited Consolidated Financial Statements

September 30, 2007

(expressed in Canadian dollars)

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Balance Sheets

(expressed in Canadian dollars)

	September 30, 2007 \$ (unaudited)	December 31, 2006 \$
Assets		
Current assets		
Cash and cash equivalents	32,754,906	28,727,824
Short-term investments	49,999,021	-
Amounts receivable	366,518	80,376
Prepaid exploration costs and expenses	159,251	148,243
	<u>83,279,696</u>	<u>28,956,443</u>
Bonding and other deposits (note 3)	944,444	166,151
Capital assets (note 4)	750,096	152,316
Mineral exploration properties (note 5)	30,689,598	30,652,405
Deferred exploration expenditures (note 5)	23,165,760	13,552,397
	<u>55,549,898</u>	<u>44,523,269</u>
	<u>138,829,594</u>	<u>73,479,712</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	1,900,931	636,249
Current portion of New Frontiers obligation	-	5,831,900
	<u>1,900,931</u>	<u>6,468,149</u>
New Frontiers obligation (note 7)	-	8,881,595
Asset retirement obligation (note 8)	183,692	-
Future income tax liability	2,188,000	2,188,000
	<u>4,272,623</u>	<u>17,537,744</u>
Shareholders' equity		
Capital stock (note 6)	139,264,829	59,236,406
Warrants (note 6)	-	45,604
Contributed surplus (note 6)	6,882,878	2,678,341
Deficit	(11,590,736)	(6,018,383)
	<u>134,556,971</u>	<u>55,941,968</u>
	<u>138,829,594</u>	<u>73,479,712</u>

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

Approved by the Board of Directors:

signed "Jeffrey Klenda"

Director

signed "Paul Macdonell"

Director

Ur-Energy Inc.
(a Development Stage Company)

Unaudited Consolidated Statements of Operations and Deficit

(expressed in Canadian dollars)

	Three months ended September 30, 2007 \$ (unaudited)	Three months ended September 30, 2006 \$ (unaudited)	Nine months ended September 30, 2007 \$ (unaudited)	Nine months ended September 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to September 30, 2007 \$ (unaudited)
Expenses					
Management fees	-	-	-	323,500	589,106
Promotion	217,753	128,150	810,041	477,638	2,086,018
Regulatory authority and transfer agent fees	17,484	21,429	77,452	86,704	201,480
Professional fees	145,087	307,109	606,346	594,299	1,809,916
General and administrative	1,666,302	1,050,903	4,503,917	2,811,071	8,989,549
General exploration expense	384,797	90,209	894,224	234,194	1,473,911
Write-off of mineral property and deferred exploration expenditures	-	-	-	-	107,462
Amortization of capital assets	17,066	5,945	48,007	17,488	82,864
	(2,448,489)	(1,603,745)	(6,939,987)	(4,544,894)	(15,340,306)
Interest income	948,494	143,856	1,936,988	371,452	2,704,584
Foreign exchange gain (loss)	(1,417,542)	5,519	(559,354)	466,448	158,986
Other income (loss)	(10,000)	-	(10,000)	-	(10,000)
	(479,048)	149,375	1,367,634	837,900	2,853,570
Loss before income taxes	(2,927,537)	(1,454,370)	(5,572,353)	(3,706,994)	(12,486,736)
Recovery of future income taxes	-	32,000	-	272,000	896,000
Net loss and comprehensive loss for the period	(2,927,537)	(1,422,370)	(5,572,353)	(3,434,994)	(11,590,736)
Deficit - Beginning of period	(8,663,199)	(2,970,481)	(6,018,383)	(957,857)	-
Deficit - End of period	(11,590,736)	(4,392,851)	(11,590,736)	(4,392,851)	(11,590,736)
Loss per common share:					
Basic and diluted	(0.03)	(0.02)	(0.07)	(0.06)	
Weighted average number of common shares outstanding:					
Basic and diluted	91,903,556	62,005,612	83,353,208	55,596,856	

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

Ur-Energy Inc.
(a Development Stage Company)
Unaudited Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

	Three months ended September 30, 2007 \$ (unaudited)	Three months ended September 30, 2006 \$ (unaudited)	Nine months ended September 30, 2007 \$ (unaudited)	Nine months ended September 30, 2006 \$ (unaudited)	Cumulative from March 22, 2004 to September 30, 2007 \$ (unaudited)
Cash provided by (used in)					
Operating activities					
Net loss for the period	(2,927,537)	(1,422,370)	(5,572,353)	(3,434,994)	(11,590,736)
Items not affecting cash:					
Stock based compensation	1,042,069	707,429	2,743,316	2,151,631	5,826,826
Amortization of capital assets	17,066	5,945	48,007	17,488	82,864
Write-off of deferred exploration expenditures	-	-	-	-	107,462
Foreign exchange gain	-	(91,774)	(1,186,840)	(828,537)	(2,308,481)
Other loss (income)	10,000	-	10,000	-	10,000
Recovery of future income taxes	-	(32,000)	-	(272,000)	(896,000)
Change in non-cash working capital items:					
Amounts receivable	(181,141)	(99,282)	(291,449)	(103,541)	(376,518)
Prepaid exploration costs and expenses	97,657	18,051	(11,008)	(42,982)	(159,251)
Accounts payable and accrued liabilities	(658,129)	(47,577)	(216,318)	(544,751)	(898,555)
	<u>(2,600,015)</u>	<u>(961,578)</u>	<u>(4,476,645)</u>	<u>(3,057,686)</u>	<u>(10,202,389)</u>
Investing activities					
Mineral exploration property costs	(585,873)	(179,411)	(1,041,474)	(386,443)	(9,227,321)
Deferred exploration expenditures	(2,442,219)	(1,723,232)	(5,839,491)	(3,281,693)	(14,356,112)
Purchase of short-term investments	(49,999,021)	-	(49,999,021)	(3,000,000)	(62,829,021)
Sale of short-term investments	-	1,000,000	-	6,840,000	12,840,000
Increase in bonding and other deposits	(383,947)	(49,412)	(778,293)	(129,069)	(944,444)
Purchase of capital assets	(311,581)	(6,328)	(708,822)	(94,649)	(895,995)
	<u>(53,722,641)</u>	<u>(958,383)</u>	<u>(58,367,101)</u>	<u>(51,854)</u>	<u>(75,412,893)</u>
Financing activities					
Issuance of common shares and warrants for cash	-	18,045,999	77,744,735	18,045,999	119,918,053
Share issue costs	-	(246,045)	(246,119)	(246,045)	(2,453,711)
Proceeds from exercise of warrants, compensation options and stock options	342,200	1,230,657	1,327,587	8,789,394	18,470,971
Payment of New Frontiers obligation	-	-	(11,955,375)	(5,609,750)	(17,565,125)
	<u>342,200</u>	<u>19,030,611</u>	<u>66,870,828</u>	<u>20,979,598</u>	<u>118,370,188</u>
Net change in cash and cash equivalents	(55,980,456)	17,110,650	4,027,082	17,870,058	32,754,906
Cash and cash equivalents - Beginning of period	88,735,362	1,584,305	28,727,824	824,897	-
Cash and cash equivalents - End of period	32,754,906	18,694,955	32,754,906	18,694,955	32,754,906

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

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

(expressed in Canadian dollars)

1. Nature of operations

Ur-Energy Inc. (the "Company") is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these reserves 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 Corporation Act on August 7, 2006. These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada 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, The Bootheel Project, 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".

These unaudited interim consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. The operating results for the interim periods presented are not necessarily indicative of the results expected for the full year. The accounting policies used in the preparation of the interim consolidated financial statements conform to those used in the Company's annual financial statements and reflect all normal and recurring adjustments considered necessary to fairly state the results for the periods presented.

These unaudited interim consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements for the year ended December 31, 2006.

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. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include investments 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 include investments which have a term to maturity at the time of purchase in excess of ninety days. These investments are readily convertible into cash. Short-term investments are classified as held-to-maturity. Interest income is recorded using the effective interest rate method and is included in income for the period. As at September 30, 2007, short-term investments have maturity dates ranging from January 2, 2008 to February 1, 2008 and have effective annual interest rates ranging from 4.51% to 4.52% .

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Capital assets

Capital assets are initially recorded at cost and are then amortized using the declining balance method at the following annual rates: computers at 30%, software at 50%, office furniture at 20%, field vehicles at 30% and field equipment at 30%.

Mineral exploration property and deferred exploration expenditures

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized. The interest cost of debt directly attributable to the financing of mineral property acquisitions is capitalized during the exploration and development period. When production is attained, these costs will be amortized. If properties are abandoned or considered to be impaired in value, the costs of the properties and related deferred expenditures will be written down to their estimated fair value at that time. Expenditures of a general reconnaissance nature are expensed to general exploration in the statement of operations and deficit.

Asset retirement obligations

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. The carrying amount of the related long-lived asset is increased by the same amount of the liability.

Stock-based compensation

All stock-based payments made to employees and non-employees are accounted for in the financial statements. Compensation cost is measured at the grant date based on the fair value of the reward and compensation expense is recognized over the related service period. Compensation cost recorded related to contractor shares and stock options is charged to expense or is capitalized to deferred exploration expenditures when related to direct exploration activities.

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 rates of exchange in effect when the assets were acquired or obligations incurred. Expenses are translated at exchange rates in effect at the date 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 that 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 when it is more likely than not that such assets will not be realized.

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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.

Financial instruments

On January 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530 Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, hedge accounting and reporting and displaying comprehensive income. The initial adoption of these standards did not have a significant impact on these financial statements.

These sections describe the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. All financial assets, including derivatives, must be measured at their fair value, except for those classified as held-to-maturity, and loans and receivables. All financial liabilities must be measured at their fair value if they are classified as held for trading purposes or are derivatives, and if not they are measured at their amortized value.

3. Bonding and other deposits

Bonding and other deposits include \$771,174 (December 31, 2006 – \$107,532) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Once the reclamation is complete, the bonding deposits will be returned to the Company. As at September 30, 2007, bonding and other deposits also include \$173,270 (US \$174,504) on deposit with trade vendors.

4. Capital assets

	September 30, 2007 (unaudited)			December 31, 2006		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Computers	103,170	20,321	82,849	31,347	5,544	25,803
Software	61,340	7,657	53,683	531	175	356
Office furniture	114,995	16,048	98,947	36,806	6,346	30,460
Field vehicles	301,057	68,575	232,482	114,212	21,646	92,566
Field equipment	315,433	33,298	282,135	4,277	1,146	3,131
	895,995	145,899	750,096	187,173	34,857	152,316

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5. Mineral exploration properties and deferred exploration expenditures

	Canada				USA		Total \$
	Thelon \$	Hornby Bay \$	Bugs \$	R-Seven & Rook 1 \$	Lost Creek/ Lost Soldier \$	Other Wyoming & South Dakota \$	
<i>Mineral exploration properties:</i>							
Balance, December 31, 2005	225,351	33,149	-	-	23,615,291	3,101,272	26,975,063
Property acquisition costs	3,543	-	29,000	-	-	1,281,396	1,313,939
Property staking and claim costs	18,446	562	-	-	62,360	315,242	396,610
Interest capitalized	-	-	-	-	1,773,152	160,493	1,933,645
Triex Minerals Corp. option payment	-	(25,000)	-	-	-	-	(25,000)
Energy Metals property swap	-	-	-	-	-	91,980	91,980
Write-off of mineral property costs	(33,832)	-	-	-	-	-	(33,832)
Balance, December 31, 2006	213,508	8,711	29,000	-	25,450,803	4,950,383	30,652,405
Property acquisition costs	-	-	71,500	-	-	751,418	822,918
Property staking and claim costs	38,126	-	509	-	317,396	477,024	833,055
Interest capitalized	-	-	-	-	407,951	36,925	444,876
Reduction in capitalized interest	-	-	-	-	(1,848,815)	(167,341)	(2,016,156)
Target Exploration & Mining Corp. shares	-	-	-	-	-	(47,500)	(47,500)
Balance, September 30, 2007 (unaudited)	251,634	8,711	101,009	-	24,327,335	6,000,909	30,689,598
<i>Deferred exploration expenditures:</i>							
Balance, December 31, 2005	1,815,255	409,051	-	-	1,887,878	3,071,508	7,183,692
Geology	395,409	11,620	4,455	-	1,904,086	262,290	2,577,860
Geophysical	437,335	300	28,133	-	31,378	-	497,146
Geochemistry	406,827	12,737	-	-	-	-	419,564
Permitting and environmental	334,078	-	-	-	1,098,124	128	1,432,330
Engineering hydrology	-	-	-	-	347,813	-	347,813
Reclamation	-	-	-	-	20,640	-	20,640
Project consulting	-	-	-	-	10,108	-	10,108
Report preparation	-	-	-	-	25,480	-	25,480
Drilling	240	-	-	-	1,006,087	-	1,006,327
Assaying	300	-	-	-	34,954	-	35,254
Surveying	-	-	-	-	-	8,334	8,334
Data acquisition and related costs	-	-	-	-	-	99,209	99,209
Energy Metals property swap	-	-	-	-	-	(91,980)	(91,980)
Write-off of deferred exploration	(19,380)	-	-	-	-	-	(19,380)
Balance, December 31, 2006	3,370,064	433,708	32,588	-	6,366,548	3,349,489	13,552,397
Geology	202,782	-	182,910	5,675	2,513,854	174,963	3,080,184
Geophysical	5,460	-	4,391	55,515	249,759	1,419	316,544
Geochemistry	61,203	-	402,907	-	-	-	464,110
Permitting and environmental	153,663	-	840	-	1,368,706	7,961	1,531,170
Engineering hydrology	-	-	-	-	777,068	-	777,068
Reclamation	-	-	-	-	203,702	-	203,702
Drilling	4,058	-	-	731,439	2,299,458	52	3,035,007
Assaying	-	-	-	-	42,936	-	42,936
Surveying	-	-	-	-	1,855	-	1,855

Data acquisition and related	-	-	-	-	1,464	6,722	8,186
Equipment depreciation	-	-	-	-	63,035	-	63,035
Land management costs	-	-	-	-	20,936	68,630	89,566
Balance, September 30, 2007 (unaudited)	3,797,230	433,708	623,636	792,629	13,909,321	3,609,236	23,165,760

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Thelon

The Company's Thelon Basin projects include Screech Lake, Eyeberry and Gravel Hill and are located in the Northwest Territories, Canada.

Hornby Bay

The Company's Hornby Bay projects in Nunavut, Canada included the Dismal Lake West and Mountain Lake claim groups.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation ("Triex") with respect to its Mountain Lake and Dismal Lake West properties. Pursuant to the option agreement, Triex made a \$25,000 cash payment upon execution of the agreement and spent \$200,000 on exploration of the properties by September 22, 2006. In order to exercise the option, and obtain a 100% interest, Triex was required to incur a further \$500,000 in exploration spending by September 30, 2007. The Company received notice during October 2007 that the expenditure requirements had been met. The Company retains a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

Bugs

The Bugs property is located in the Kivalliq region of the Baker Lake Basin, Nunavut.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issued to obtain an initial 12% interest in the property. These common shares were valued at \$29,000. On the first anniversary of the agreement, in September 2007, 25,000 common shares were issued for an additional 30% interest. These common shares were valued at \$71,500. On the second anniversary 50,000 common shares are issuable for the final 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

R-Seven and Rook I

During June 2007, the Company signed a letter of intent with Titan Uranium Incorporated ("Titan"). The definitive option agreement, signed during August 2007, provides that the Company can earn up to an undivided 51% working interest in Titan's R-Seven and Rook I properties located in the Athabasca Basin, Saskatchewan by funding \$9 million in exploration programs managed by Titan over a 4-year earn-in period. The option agreement calls for annual expenditures of \$2 million in each of the first three years with a further \$3 million in year four. Vesting of a 25% working interest will be at the Company's election after the expenditure of \$4 million in the second year of the agreement. Upon the expenditure of an additional \$2 million in year three, the Company will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3 million in year four. Upon completion of the earn-in phase, the Company and Titan will proceed as joint venture partners with the Company becoming project operator.

United States - Wyoming & South Dakota

On February 3, 2005, the Company entered into a letter of intent with Dalco Inc. (the "Dalco LOI"). Under the terms of the Dalco LOI, the Company had an option to acquire certain unpatented claims and land records for the property located in Wyoming, USA together with exploration records, drill log files and related data (collectively the "Radon Springs Property"). The Company paid Dalco US\$25,000 upon signing the Dalco LOI and the Company issued 25,000 common shares to Dalco in order to acquire a 25% interest in the Radon Springs Property. These common shares were issued on June 3, 2005.

On July 20, 2005, the Company concluded a definitive agreement with Dalco (the "Dalco Agreement"). Under the terms of the Dalco Agreement, the Company increased its interest in the Radon Springs Property to 50% by providing an additional US \$50,000 and 50,000 common shares during November 2005. During November 2006, the Company increased its interest to 75% by providing an additional US \$100,000 and 100,000 common shares. During September 2007, the Company exercised its right to acquire the remaining 25% interest, for a 100% total interest, by providing an additional US \$150,000 and 150,000 common shares. Dalco retains a production royalty of 3% on the total gross proceeds received by the Company on the sale of U₃O₈ ("Yellowcake") extracted from uranium ores from the Radon Springs Property

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On March 6, 2005, the Company entered into a letter of intent with New Frontiers Uranium LLC, a Colorado limited liability company (the "New Frontiers LOI"). Under the terms of the New Frontiers LOI, the Company was entitled to acquire certain Wyoming USA properties, subject to satisfactory completion of due diligence within 90 days after March 11, 2005. The Company completed due diligence requirements during June of 2005 and entered into definitive agreements effective June 30, 2005 (the "New Frontiers Agreements").

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC which holds the majority of the Company's Wyoming properties, including the Lost Creek and Lost Soldier projects, for total consideration of \$24,515,832 (US \$20,000,000) (see note 7).

On April 6, 2006, the Company announced it had entered into an agreement with Energy Metals Corporation ("Energy Metals") to complete a land swap enabling the Company and Energy Metals to consolidate their respective land positions in specific project areas of Wyoming. The Company traded its Shamrock (also known as "Red Rim") and Chalk Hills projects to Energy Metals for their holdings in the Bootheel project area. Pursuant to the agreement, the Company received Energy Metals' unpatented mining claims known as the TD group in Albany County, Wyoming. Energy Metals received the Company's unpatented "F" mining claims located in the southern Great Divide Basin in Carbon and Sweetwater Counties, Wyoming along with the unpatented "Rita" mining claims located in the Shirley Basin in Carbon County, Wyoming. Under the terms of the agreement, Energy Metals and the Company have granted one another a 1/2% royalty on future production of uranium from the properties. The fair value of these properties is not reliably determinable; therefore, the accumulated historical costs of the Shamrock and Chalk Hills projects have been recorded as the accounting basis of the Bootheel property received. Historic property costs related to the Shamrock and Chalk Hills projects was \$332,090 and deferred exploration costs with respect to the projects was \$91,980.

On June 16, 2006, the Company entered into a data purchase agreement with Power Resources Inc. ("PRI") related to the Bootheel and Buck Point project areas. The Company paid a first installment of \$99,209 (US \$90,000) related to the acquisition of this data. During May 2007, the Company made a second and final payment of \$99,028 (US \$90,000). The data includes drill hole logs, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from previous operators as well as historical feasibility reports. Under the terms of the agreement, the Company will provide PRI with a 1% royalty on future uranium and associated minerals produced from the property.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming, consisting of certain unpatented mining claims in four claim blocks. The Company purchased the properties for an aggregate consideration of 250,000 common shares of the Company. Additionally, on September 29, 2006, the Company acquired additional unpatented mining claims relating to one of these claim blocks for cash consideration of US \$41,000. Under the terms of the agreements, the Company will provide the seller with a 2% royalty on future uranium production from the acquired properties and from a one-mile area of interest surrounding the properties.

During October 2006, the Company acquired certain State of South Dakota Mineral Leases in Harding County, northwest South Dakota for cash consideration of \$158,431.

During June 2007, the Company entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining Corporation and its subsidiary ("Target"). Under the terms of the agreement, the Company, through its wholly-owned subsidiary, NFUR Bootheel, LLC, contributed its Bootheel and Buck Point properties to The Bootheel Project, LLC. The projects cover an area of known uranium occurrences in Albany County, Wyoming in the Shirley Basin. The Bootheel and Buck Point properties contributed by the Company are comprised of certain mining claims and two state leases. The Company will make any data covering its Bootheel and Buckpoint properties, and certain other data, available to the venture with Target. Target will contribute US \$3 million in exploration expenditures and issue a total of 125,000 common shares of Target to the Company over a four year period in order to earn a 75% interest in The Bootheel Project, LLC. The initial 50,000 common shares of Target were received during August 2007. Minimum exploration expenditures of US \$750,000 are required in each year during the four year earn-in period. Target will be the operator of the Bootheel Project.

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During June 2007, the Company entered into agreements with Trigon Uranium Corporation and its subsidiary ("Trigon"). Under the terms of the agreements, the Company, through its wholly-owned subsidiary, NFUR Hauber, LLC, contributed its Hauber property to Hauber Project LLC. The Hauber property is located in Crook County, Wyoming and consists of certain unpatented lode mining claims and one state uranium lease. Pursuant to the terms of the agreements, Trigon can earn a 50% ownership interest in Hauber Project LLC by contributing a total of US \$1.5 million in exploration expenditures to the project over three years. Minimum exploration expenditures of US \$350,000 are required in year one of the earn-in period with US \$575,000 required in years two and three. Trigon will act as manager of the project. The agreements further provide that after Trigon has earned the 50% ownership interest, Trigon has the option to acquire an additional 1% ownership interest by making an additional payment of US \$1.0 million for project exploration and expenditures. If Trigon does not exercise this option, the Company may do so for the same payment contribution. The agreements provided for an environmental due diligence period during which Trigon conducted an independent study to confirm that there are no manmade environmental hazards or other environmental liabilities prior to the commencement of the project. During September 2007, Trigon notified the Company that pursuant to its environmental due diligence, it had satisfied itself of this requirement.

6. Capital stock

Authorized

The Company is authorized to issue an unlimited number of 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.

Issued

	Common Shares #	Amount \$	Warrants #	Amount \$
Balance, December 31, 2005	47,204,040	22,243,625	13,090,560	2,431,702
Common shares issued for cash, net				
of issue costs	9,204,727	20,062,699	-	-
Exercise of warrants	13,483,134	13,701,383	(13,483,134)	(2,546,458)
Expired warrants	-	-	(32,800)	(4,350)
Exercise of compensation options	1,337,904	1,975,223	588,250	164,710
Exercise of stock options	106,500	206,152	-	-
Common shares issued for properties	360,000	990,000	-	-
Common shares issued for services	1,778,747	1,303,824	-	-
Tax effect of flow-through shares	-	(1,246,500)	-	-
Balance, December 31, 2006	73,475,052	59,236,406	162,876	45,604
Common shares issued for cash, net				
of issue costs	17,431,000	77,503,307	-	-
Exercise of warrants	156,209	229,154	(156,209)	(43,737)
Expired warrants	-	-	(6,667)	(1,867)
Exercise of compensation options	104,778	201,434	-	-
Exercise of stock options	774,000	1,553,528	-	-
Common shares issued for properties	175,000	541,000	-	-
Balance, September 30, 2007 (unaudited)	92,116,039	139,264,829	-	-

No Class A preference shares have been issued.

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2007 issuances

During April 2007, the Company announced a bought deal financing entered into with a syndicate of underwriters who agreed to purchase, 15,158,000 common shares of the Company at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters were granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at \$4.75 per share.

On May 1, 2007, the Company filed a final short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario. This financing closed on May 10, 2007. The underwriters exercised in full the over-allotment option at closing. In total, the Company issued 17,431,000 common shares for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters' commissions were \$5,293,943.

During September 2007, the Company issued 25,000 common shares with respect to the option agreement to acquire the Bugs property in Nunuvut, Canada. These shares represent an additional 30% interest in the property for a total earned interest of 42%. These common shares were valued at \$71,500.

In September 2007, the Company issued 150,000 common shares pursuant to the terms of the Dalco Agreement to complete its 100% earn-in with respect to the Company's Radon Springs Project in Wyoming. These common shares were valued at \$469,500.

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000.

On August 30, 2006, the Company completed a bought deal financing with a syndicate of underwriters led by GMP Securities LP and including Dundee Securities Corp. and Raymond James Ltd. The bought deal financing resulted in the issuance of a total of 8,522,727 common shares of the Company at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000. These total figures include the underwriters' over-allotment option for 1,022,727 common shares which was exercised in full on August 30, 2006.

On August 2, 2006, the Company completed a private placement of 182,000 flow-through common shares at a purchase price of \$2.75 per share for gross proceeds of \$500,500.

During the year ended December 31, 2006, a total of 13,483,134 common shares were issued pursuant to the exercise of warrants, a total of 1,337,904 common shares were issued pursuant to the exercise of compensation options and 106,500 common shares were issued upon the exercise of stock options.

On June 19, 2006, the Company completed an acquisition of claim groups in the Great Divide Basin of Wyoming. The Company purchased the properties for an aggregate consideration of 250,000 common shares which were valued at \$515,000.

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunuvut, Canada. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares to the vendor over a two year period. Upon signing, 10,000 common shares were issuable. These common shares were valued at \$29,000.

In November 2006, the Company issued 100,000 common shares pursuant to the terms of the Dalco Agreement in connection with the Company's Radon Springs Project in Wyoming. These common shares were valued at \$446,000.

A total of 1,778,747 common shares were issued for services to directors, officers and contractors of the Company.

During the year ended December 31, 2006, the Company renounced flow-through share tax benefits relating to the entire total of \$3,461,750 raised through the issuance of flow-through common shares. The tax effect of \$1,246,500 has been recorded as a reduction of capital stock during the year.

(expressed in Canadian dollars)

Director, officer and contractor shares for service

The Company had approved the potential issuance of a total of 2,760,000 common shares to directors, officers and contractors of the Company to compensate for services provided to the Company under various service contracts. Vesting of the balance of 613,679 common shares issuable under these service contracts was accelerated during September of 2006. Including this final balance of contractor shares recorded during the third quarter of 2006, the Company recorded a total of 1,478,747 common shares valued at \$736,824 with respect to these service contracts during the year ended December 31, 2006. Of that total, \$590,354 was charged to stock based compensation expense and \$146,470 was capitalized as deferred exploration expenditures.

On May 24, 2006, the Company issued a total of 300,000 common shares for service to the President and Chief Executive Officer of the Company as a performance bonus. The issuance of these common shares was approved by the Company's shareholders on May 17, 2006. These common shares were fully vested upon issuance and were valued at \$567,000. These common shares were recorded as a stock based compensation expense in general and administrative expense.

Warrants

As at September 30, 2007, the Company had a total of nil (December 31, 2006 – 162,876) common share warrants outstanding. The fair value of warrants issued has been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. As at December 31, 2006, the remaining value allocated to outstanding warrants was \$45,604. The assumptions used for the valuation of warrants are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate 4% and an expected life of the warrants of two years.

Compensation options and compensation option warrants

The Company has provided compensation options to agents who refer investors to the Company. Compensation options are exercisable into equity instruments having the same attributes as those purchased by the referred investor. As at September 30, 2007, the Company had outstanding a total of 5,568 (December 31, 2006 – 110,346) compensation options exercisable at \$1.25 per share until November 29, 2007.

The fair value of compensation options issued has been estimated using the Black-Scholes option pricing model and this value has been presented as contributed surplus within shareholders' equity and recorded as a share issue cost. As at September 30, 2007 the balance allocated to compensation options is \$3,745 (December 31, 2006 – \$74,208). The assumptions used for the valuation of compensation options are as follows: dividend yield of nil, expected volatility 100%, risk-free interest rate of 4% and an expected life of the options of one to two years.

Stock options

On November 17, 2005, the Company's Board of Directors approved the adoption of the Company's stock option plan (the "Plan"). Eligible participants under the Plan include directors, officers, employees and consultants of the Company. Under the terms of the Plan, options generally vest with 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.

On January 3, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$4.08 per share and expire January 1, 2012. These stock options were determined to have a fair value at grant of \$2.20 per share. On February 19, 2007, the Company granted 600,000 stock options to a new executive officer. These stock options are exercisable at \$5.03 per share and expire February 15, 2012. These stock options were determined to have a fair value at grant of \$2.71 per share. On May 23, 2007, the Company granted a total of 2,100,000 stock options to directors, officers, employees and contractors of the Company. These stock options are exercisable at \$4.75 per share and expire May 15, 2012. These stock options were determined to have a fair value at grant of \$2.45 per share. On July 25, 2007, the Company granted 200,000 stock options to a new director of the Company. These stock options are exercisable at \$3.67 per share and expire July 15, 2012. These stock options were determined to have a fair value at grant of \$1.91 per share. On August 8, 2007, the Company granted a total of 437,500 stock options to officers and employees of the Company. These stock options are exercisable at \$3.00 per share and expire August 9, 2012. These stock options were determined to have a fair value at grant of \$1.54 per share. On September 17, 2007, the Company granted a total of 50,000 stock options to a new employee of the Company. These stock options are exercisable at \$3.16 per share and expire September 17, 2012. These stock options were determined to have a fair value at grant of \$1.63 per share.

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

(expressed in Canadian dollars)

Activity with respect to stock options is summarized as follows:

	Number	Weighted- average exercise price \$
Outstanding, December 31, 2005	4,375,000	1.25
Forfeit	(897,500)	1.25
Exercised	(106,500)	1.25
Granted on March 24, 2006	75,000	2.01
Granted on April 21, 2006	1,525,000	2.35
Granted on September 26, 2006	435,000	2.75
Outstanding, December 31, 2006	5,406,000	1.69
Forfeit	(194,500)	4.28
Exercised	(774,000)	1.31
Granted on January 3, 2007	200,000	4.08
Granted on February 19, 2007	600,000	5.03
Granted on May 23, 2007	2,100,000	4.75
Granted on July 25, 2007	200,000	3.67
Granted on August 8, 2007	437,500	3.00
Granted on September 17, 2007	50,000	3.16
Outstanding, September 30, 2007 (unaudited)	8,025,000	2.91

As at September 30, 2007 outstanding stock options are as follows:

Exercise price \$	Options outstanding		Options exercisable		Expiry
	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	
1.25	2,632,800	3.1	2,632,800	3.1	November 17, 2010
2.01	75,000	3.5	75,000	3.5	March 25, 2011
2.35	1,500,000	3.6	1,140,000	3.6	April 21, 2011
2.75	424,200	4.0	224,100	4.0	September 26, 2011
3.00	437,500	4.8	43,750	4.8	August 9, 2012
3.16	50,000	5.0	50,000	5.0	September 17, 2012
3.67	200,000	4.8	20,000	4.8	July 15, 2012
4.08	64,000	4.3	64,000	4.3	January 1, 2012
4.75	2,041,500	4.6	210,000	4.6	May 15, 2012
5.03	600,000	4.4	-	4.4	February 15, 2012
	8,025,000	3.9	4,459,650	3.4	

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

(expressed in Canadian dollars)

During the nine month period ended September 30, 2007, the Company recorded a total of \$4,815,460 related to stock option compensation. Of that total, \$2,743,316 was charged to stock based compensation expense and \$2,072,144 was capitalized as deferred exploration expenditures. This amount is included in shareholders' equity as contributed surplus and is recorded as an expense or as deferred exploration expenditures. This value was determined using the Black-Scholes option pricing model with the following assumptions:

	<u>2007</u>	<u>2006</u>
Expected volatility	63% - 67%	67% - 72%
Expected option life (in years)	4.0	3.5 - 4.0
Risk-free interest rate	4.01% - 4.56%	3.96% - 4.17%
Expected dividend yield	0%	0%

Contributed surplus

Amounts recorded as contributed surplus in shareholders' equity relate primarily to the fair value of compensation options and stock options. Activity with respect to contributed surplus is summarized as follows:

	\$
Balance, December 31, 2005	1,093,086
Exercise of compensation options	(694,436)
Stock option charges	2,348,163
Exercise of stock options	(72,822)
Expired warrants	4,350
Balance, December 31, 2006	2,678,341
Exercise of compensation options	(70,463)
Stock option charges	4,815,460
Exercise of stock options	(542,327)
Expired warrants	1,867
Balance, September 30, 2007 (unaudited)	6,882,878

7. New Frontiers obligation / Acquisition of NFU Wyoming LLC

On June 30, 2005, under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming, LLC, a newly formed Wyoming limited liability corporation, holding certain Wyoming properties for total consideration of US \$20,000,000. The balance of the purchase price of US\$15,000,000 was payable by way of a promissory note. The Company had pledged its entire interest in NFU Wyoming, LLC as collateral for amounts due under the promissory note. The purchase price of \$24,515,832 was allocated entirely to mineral exploration property assets in Wyoming. Interest on the New Frontiers obligation was recorded utilizing the effective rate method. Under the effective rate method, interest charges are recorded over the term of the obligation that are sufficient to accrete the face value of the original principal to the balance due, including interest, at maturity. The effective interest rate was 12.04% . Interest accrued on the New Frontiers obligation was capitalized to Wyoming mineral property assets.

On June 6, 2007, the Company repaid the outstanding balance of the New Frontiers obligation in full providing cash of \$11,955,375 (US \$11,250,000). On June 28, 2006 the Company provided the first anniversary installment of US \$5,000,000. The Company's election for early repayment of the balance due resulted in reduced interest charges such that previously accrued interest of \$2,016,156 (US \$1,744,229) was not payable. This amount was recorded as a reduction of the related Wyoming mineral property assets during the second quarter of 2007.

Ur-Energy Inc.
(a Development Stage Company)
Notes to Unaudited Consolidated Financial Statements
September 30, 2007

(expressed in Canadian dollars)

8. Asset retirement obligation

The Company has recorded \$183,692 for asset retirement obligations which represent an estimate of costs that would be incurred to restore exploration and development properties to the condition that existed prior to the Company's exploration or development activities. Presently, retirement obligations recorded relate entirely to exploration and development drill holes on Wyoming, USA properties.

9. 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:

		\$
Period ending December 31,	2007	52,500
	2008	214,900
	2009	101,000
	2010	90,600
	2011	90,600
	Thereafter	60,400
		610,000

The Company has established a corporate credit card facility with a US bank for use by officers and employees of the Company. This facility has an aggregate borrowing limit of US \$250,000. The Company has provided a letter of credit and a guaranteed investment certificate in the amount of \$287,500 as collateral for this facility.

10. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, amounts receivable and accounts payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments except for US dollar foreign currency risk with respect to cash balances held in US dollars. As at September 30, 2007, the Company held approximately US \$20.9 million in cash and cash equivalents. The Company has not entered into any foreign exchange contracts or other strategies to mitigate this risk.

The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

11. Segmented information

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

	September 30, 2007(unaudited)		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,029	739,067	750,096
Mineral exploration properties	361,354	30,328,244	30,689,598
Deferred exploration expenditures	5,647,203	17,518,557	23,165,760

	December 31, 2006		
	Canada	United States	Total
	\$	\$	\$
Capital assets	11,258	141,058	152,316
Mineral exploration properties	251,219	30,401,186	30,652,405
Deferred exploration expenditures	3,836,360	9,716,037	13,552,397

Form 52-109F2 - Certification of Interim Filings

I, Roger Smith, of **Ur-Energy Inc.** as Chief Financial Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the interim period ending September 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 9, 2007

(signed) "Roger Smith" _____

Roger Smith
Chief Financial Officer

Form 52-109F2 - Certification of Interim Filings

I, W. William Boberg, of **Ur-Energy Inc.** as President and Chief Executive Officer, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52- 109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of Ur-Energy Inc. (the issuer) for the interim period ending September 30, 2007;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings;
4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the issuer, and we have:
 - a. designed such disclosure controls and procedures, or caused them to be designed under our supervision, to provide reasonable assurance 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 the interim filings are being prepared; and
 - b. designed such internal control over financial reporting, or caused it 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 the issuer's GAAP; and
5. I have caused the issuer to disclose in the interim MD&A any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent interim period that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting.

Date: November 9, 2007

(signed) "W. William Boberg"

W. William Boberg
Chief Executive Officer

Required Disclosure for Filing as a U.S. Institutional Investor for Ur-Energy Inc.

(as outlined in Appendix G of National Instrument 62-103)

Name and address of Eligible Institutional Investor:

BlackRock, Inc. (on behalf of its investment advisory subsidiaries) ("BLK")
(formerly Merrill Lynch Investment Managers Group Limited)
40 East 52nd Street
New York, NY 10022
USA

Change since last report:

BLK filed its last report under the early warning requirements of provincial securities legislation on December 7, 2006, for control or investment discretion over 8,122,600 common shares (11.74% outstanding shares) of Ur-Energy Inc.

Control as at month-end:

As of April 30, 2007, BLK controls or has investment discretion over 11,796,450 common shares (15.95% of outstanding shares) of Ur-Energy Inc.

Ownership or control:

BLK exercises control or discretion over, but does not own any of the shares referred to above.

Purpose:

The shares are beneficially owned for investment purposes by clients of BLK and BLK disclaims any beneficial ownership in the shares. BLK may from time to time purchase additional shares or sell shares, on behalf of its clients, depending on prevailing economic and market conditions.

Agreements: Not applicable

Joint Actors: Not applicable

Change in material fact: Not applicable

BLK is registered as an investment advisor with the U.S. Securities and Exchange Commission, and is an eligible institutional investor for the purpose of National Instrument 62-103 and therefore eligible to file reports under Part 4 of National Instrument 62-103.

In accordance with Part 5 of National Instrument 62-103, this report does not include any securities that may be owned or controlled by two of BLK's affiliates, Merrill Lynch & Co., and PNC Bancorp, Inc.

Dated at Boston, Massachusetts this 4th day of May 2007.

(Signed) Nicole Giambro

BlackRock

Required Disclosure for Filing as a U.S. Institutional Investor for

Ur-Energy Inc.

(as outlined in Appendix G of National Instrument 62-103)

Name and address of Eligible Institutional Investor:

BlackRock, Inc. (on behalf of its investment advisory subsidiaries) ("BLK")
(formerly Merrill Lynch Investment Managers Group Limited)
40 East 52nd Street
New York, NY 10022
USA

Change since last report:

BLK filed its last report under the early warning requirements of provincial securities legislation on May 4, 2007, for control or investment discretion over 11,796,450 common shares (15.95% outstanding shares) of Ur-Energy Inc.

Control as at month-end:

As of May 31, 2007, BLK controls or has investment discretion over 11,846,450 common shares (12.92% of outstanding shares) of Ur-Energy Inc.

Ownership or control:

BLK exercises control or discretion over, but does not own any of the shares referred to above.

Purpose:

The shares are beneficially owned for investment purposes by clients of BLK and BLK disclaims any beneficial ownership in the shares. BLK may from time to time purchase additional shares or sell shares, on behalf of its clients, depending on prevailing economic and market conditions.

Agreements: Not applicable

Joint Actors: Not applicable

Change in material fact: Not applicable

BLK is registered as an investment advisor with the U.S. Securities and Exchange Commission, and is an eligible institutional investor for the purpose of National Instrument 62-103 and therefore eligible to file reports under Part 4 of National Instrument 62-103.

In accordance with Part 5 of National Instrument 62-103, this report does not include any securities that may be owned or controlled by two of BLK's affiliates, Merrill Lynch & Co., and PNC Bancorp, Inc.

Dated at Boston, Massachusetts this 7th day of June 2007.

(Signed) Nicole Giambro
BlackRock



Lori Thompson
Account Manager, Client Services
Telephone: 416.361.0930
lthompson@equitytransfer.com

VIA ELECTRONIC TRANSMISSION

March 9, 2007

TO ALL APPLICABLE EXCHANGES AND COMMISSIONS:

**RE: UR-Energy Inc.
Confirmation of Notice of Record and Meeting Dates**

We are pleased to confirm that Notice of Record and Meeting Dates was sent to The Canadian Depository for Securities.

We advise the following with respect to the *Annual & Special Meeting* of Shareholders for UR-Energy Inc.

1.	CUSIP:	CA 91688R1082
2.	Date Fixed for the Meeting:	May 18, 2007
3.	Record Date For Notice:	April 12, 2007
4.	Record Date For Voting:	April 12, 2007
5.	Beneficial Ownership Determination Date:	April 12, 2007
6.	Classes or Series of Securities that entitle the holder to receive Notice of the Meeting:	Common
7.	Classes of Series of Securities that entitle the holder to vote at the meeting:	Common
8.	Business to be conducted at the meeting:	Annual & Special

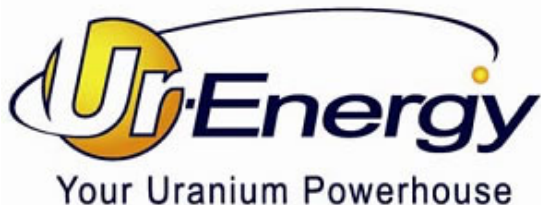
Yours Truly,

EQUITY TRANSFER & TRUST COMPANY

Per

A handwritten signature in black ink that reads "L. Thompson".

200 University Ave, Suite 400, Toronto, Ontario M5H 4H1
T:416.361.0152 F:416.361.0470 www.equitytransfer.com



Ur-Energy Inc.
1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders of Ur-Energy Inc. (the "Corporation") will be held at The Melinda Gallery, The Suites at 1 King West, 1 King Street West, Toronto, Ontario on Friday, May 18, 2007 commencing at 10:00 a.m.(EDT) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2006 together with the report of the auditors thereon;
2. to elect directors;
3. to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the directors to fix the auditor's remuneration;
4. to consider and, if thought advisable, to pass, with or without variation, a resolution confirming the Corporation's new By-Law No. 1 ("By-Law Resolution");
5. to consider and, if thought advisable, to pass, with or without variation, a special resolution, amending the articles of the Corporation to permit the Corporation to hold shareholder meetings at any place in Canada and the United States, as the directors in their discretion decide from time to time ("Article Amendment Resolution"); and
6. to transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

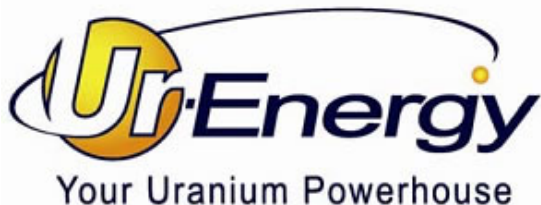
Accompanying this notice are the Circular, containing details of the matters to be dealt with at the Meeting, the audited consolidated financial statements of the Corporation for the year ended December 31, 2006, together with management's discussion and analysis thereon, and a form of proxy.

Shareholders who are unable to attend the annual and special meeting in person are requested to complete and sign the accompanying form of proxy and return it by mail in the enclosed return envelope or by facsimile. To be effective, proxies must be received by the Corporation's transfer agent, Equity Transfer & Trust Company, Suite 420, 120 Adelaide Street West, Toronto Ontario M5H 4C3, Attention: Proxy Department or by facsimile at 416-361-0470 prior to 5:00 p.m. (EDT) on Thursday, May 17, 2007 or if the annual and special meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment thereof is to be held, or may be deposited with the Chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

DATED at Ottawa, Ontario, this 12th day of April, 2007.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "John McNeice"
Corporate Secretary



Ur-Energy Inc.

1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders of Ur-Energy Inc. (the "Corporation") will be held at The Melinda Gallery, The Suites at 1 King West, 1 King Street West, Toronto, Ontario on Friday, May 18, 2007 commencing at 10:00 a.m.(EDT) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2006 together with the report of the auditors thereon;
2. to elect directors;
3. to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the directors to fix the auditor's remuneration;
4. to consider and, if thought advisable, to pass, with or without variation, a resolution confirming the Corporation's new By-Law No. 1 ("By-Law Resolution");
5. to consider and, if thought advisable, to pass, with or without variation, a special resolution, amending the articles of the Corporation to permit the Corporation to hold shareholder meetings at any place in Canada and the United States, as the directors in their discretion decide from time to time ("Article Amendment Resolution"); and
6. to transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this notice are the Circular, containing details of the matters to be dealt with at the Meeting, the audited consolidated financial statements of the Corporation for the year ended December 31, 2006, together with management's discussion and analysis thereon, and a form of proxy.

Shareholders who are unable to attend the annual and special meeting in person are requested to complete and sign the accompanying form of proxy and return it by mail in the enclosed return envelope or by facsimile. To be effective, proxies must be received by the Corporation's transfer agent, Equity Transfer & Trust Company, Suite 420, 120 Adelaide Street West, Toronto Ontario M5H 4C3, Attention: Proxy Department or by facsimile at 416-361-0470 prior to 5:00 p.m. (EDT) on Thursday, May 17, 2007 or if the annual and special meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment thereof is to be held, or may be deposited with the Chairman of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

DATED at Ottawa, Ontario, this 12th day of April, 2007.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "John McNeice"
Corporate Secretary

UR-ENERGY INC.

Management Information Circular

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation by the management of Ur-Energy Inc. (the "Corporation" or "Ur-Energy") of proxies for use at the annual and special meeting of shareholders of the Corporation (the "Meeting") to be held at The Melinda Gallery, The Suites at 1 King West, 1 King Street West, Toronto, Ontario on Friday, May 18, 2007 commencing at 10:00 a.m. (EDT), and at any adjournment thereof, for the purposes set forth in the Notice of Meeting (the "Notice"). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers, employees or representatives of the Corporation. All costs of solicitation will be borne by the Corporation. The information contained herein is given as at April 12, 2007, unless otherwise indicated.

All dollar amounts in this Circular are in Canadian dollars, except where indicated otherwise. References to "\$" are to Canadian dollars and reference to "US\$" are to United States dollars. On April 12, 2007, the noon exchange rate of Canadian currency in exchange for United States currency, as reported by the Bank of Canada, was CDN \$1.00 = USD\$0.8800.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are officers of the Corporation. *Each shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof.* Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.

VOTING INSTRUCTIONS

Registered Shareholders

There are two methods by which registered shareholders ("Registered Shareholders"), whose names are shown on the books or records of the Corporation as owning common shares ("Common Shares"), can vote their Common Shares at the Meeting: in person at the Meeting, or by proxy. Should a Registered Shareholder wish to vote in person at the Meeting, the form of proxy included with the Circular should not be completed or returned; rather, the Registered Shareholder should attend the Meeting where his or her vote will be taken and counted. Should the Registered Shareholder not wish to attend the meeting or not wish to vote in person, his or her vote may be voted by proxy through one of the methods described below and the shares represented by the proxy will be voted or withheld from voting, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the shares will be voted accordingly.

A Registered Shareholder may vote by proxy by using one of the following methods: (i) the paper form of proxy to be returned by mail or delivery; or (ii) facsimile. The methods of using each of these procedures are described below:

Voting by Mail. A Registered Shareholder may vote by mail or delivery by completing, dating and signing the enclosed form of proxy and depositing it with Equity Transfer & Trust Company (the "Transfer Agent") using the envelope provided or by mailing it to Equity Transfer & Trust Company, Attention: Proxy Department, Suite 420, 120 Adelaide Street West, Toronto Ontario M5H 4C3, or to the Corporate Secretary of the Corporation, by no later than the close of business on Thursday, May 17, 2007, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

Voting by Facsimile. A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 416-361-0470. The form of proxy must be received by no later than the close of business on May 17, 2007, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

A proxy must be in writing and must be executed by the Registered Shareholder or by an attorney authorized in writing or, if the Registered Shareholder is a corporation or other legal entity, by an authorized officer or attorney. Voting by mail is the only method by which a Registered Shareholder may choose an appointee other than the Management appointees named on the proxy.

Non-Registered Shareholders

In the Circular and the enclosed form of proxy and Notice, all references to shareholders are to Registered Shareholders of Common Shares. Only Registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Shareholder" or "Beneficial Owner") are registered either:

- (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

There are two kinds of Beneficial Owners, those who object to their name being made known to the Corporation, referred to as objecting beneficial owners ("OBOs") and those who do not object to the Corporation knowing who they are, referred to as non-objecting beneficial owners ("NOBOs"). In accordance with the requirements of *National Instrument 54-101—Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has opted this year to distribute copies of the Notice, Circular, the enclosed form of proxy and the Corporation management's discussion and analysis of financial condition and results of operations and consolidated financial statements for the fiscal year ended December 31, 2006 (collectively, the "Meeting Materials") to NOBOs directly. Whereas, the Meeting Materials will continue to be distributed to OBOs through clearing houses and Intermediaries, who often use a service company (such as ADP Investor Communications) to forward meeting materials to Non-Registered Shareholders.

The Meeting Materials are being sent to both Registered and Non-Registered Shareholders of the securities. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of

securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners (“OBOs”)

Intermediaries are required to forward Meeting Materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (i) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) and is restricted as to the number of shares beneficially owned by the OBO, but which is otherwise not completed. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent, by mail addressed to Equity Transfer & Trust Company, Attention: Proxy Department, Suite 420, 120 Adelaide Street West, Toronto Ontario M5H 4C3 or by facsimile at 416-361-0470, as applicable, or with the Corporate Secretary of the Corporation; or
- (ii) more typically, be given a voting instruction form (“VIF”) which must be completed and signed by the OBO in accordance with the directions on the VIF (which may in some cases permit the completion of VIF by telephone, the internet or facsimile).

Non-Objecting Beneficial Owners (“NOBOs”)

NOBOs can expect to receive the Meeting Materials with a VIF from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by following the instructions contained on the VIF for facsimile, telephone or Internet voting. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares they beneficially own. Should a Non-Registered Holder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies or the Transfer Agent, as the case may be.

REVOCAION OF PROXIES

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so (1) by delivering another properly executed proxy bearing a later date and depositing it as aforesaid,

including within the prescribed time limits noted above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing (i) at the registered office of the Corporation (1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting, prior to its commencement, on the day of the Meeting, or at any adjournment thereof; (3) by attending the Meeting in person and so requesting; or (4) in any other manner permitted by law.

A Non-Registered Holder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING AND DISCRETION OF PROXIES

On any ballot that may be called for, the shares represented by proxies in favour of the persons named by management of the Corporation will be voted for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote FOR the election of management's nominees as directors; FOR the appointment of the auditor and the authorization of the directors to fix the remuneration of the auditor; FOR the By-law Resolution; FOR the Article Amendment Resolution and in accordance with management's recommendations with respect to amendments or variations of the matters set out in the Notice or any other matters which may properly come before the Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters identified in the Notice or any other matters that may properly come before the Meeting. As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

As at April 12, 2007, the authorized capital of the Corporation consisted of an unlimited number of Common Shares, of which 74,090,239 Common Shares were issued and outstanding and an unlimited number of Class A Preference Shares, issuable in series, of which none has been issued.

A holder of record of Common Shares as at the close of business on April 12, 2007 (the "Record Date") is entitled to one vote for each Common Share held by him or her. The affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular, other than the special resolution approving the amendment to the articles of the Corporation.

In accordance with the *Canada Business Corporations Act*, the Corporation will prepare a list of holders of Common Shares on the Record Date. Each holder of Common Shares named in the list at the close of business on the Record Date will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting.

As of April 12, 2007, to the knowledge of the directors and senior officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Corporation provide that the board of directors of the Corporation (the “Board of Directors”) shall consist of a minimum of one and a maximum of ten directors, the number of which may be fixed from time to time by a resolution of the Board of Directors. Immediately prior to this Meeting, the Board of Directors will reduce the number of directors from eight directors to six directors. Mr. Eric Craigie and Mr. Paul Pitman will resign as directors of the Corporation effective Friday, May 18, 2007 but will remain executive officers of the Corporation. Mr. Craigie and Mr. Pitman have decided to resign to focus more of their time on executive management and director roles with several junior exploration companies with which they are involved. The number of directors proposed to be elected at the Meeting is six.

The following table lists certain information concerning the nominees for election as directors of the Corporation. The information as to principal occupations and the number of Common Shares beneficially owned or over which control or direction is exercised by each nominee has been furnished by the respective nominees individually.

Name	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 ⁽³⁾
Jeffrey T. Klenda Golden, Colorado	Chairman and Director Certified Financial Planner	August 2004 – present	628,125
W. William Boberg Littleton, Colorado	President, Chief Executive Officer and Director Consulting Geologist	January 2006 – present	496,875
James M. Franklin ⁽²⁾ Ottawa, Ontario	Chief Scientist and Director Consulting Geologist / Adjunct Professor of Geology Queen’s University	March 2004 – present	100,000
Paul Macdonell ⁽¹⁾⁽²⁾ Mississauga, Ontario	Director Senior Mediator, Government of Canada	March 2004 – present	Nil
Robert Boaz ⁽¹⁾⁽²⁾ Mississauga, Ontario	Director Investment Banking Executive	March 2006 – present	Nil
Gary Huber ⁽¹⁾⁽²⁾ Denver, Colorado	Director Mining Company Executive	January 2007 – present	Nil

(1) Member of the Audit Committee. Mr. Huber joined the Audit Committee in January 2007, prior to his appointment, Mr. Franklin was a member of the Audit Committee.

- (2) Member of the Compensation Committee. Mr. Huber joined the Compensation Committee in January 2007, prior to his appointment, Mr. Franklin was a member of the Compensation Committee. Mr. Franklin continues to be an *ex officio*, non-voting member of the Compensation Committee.

Jeffrey T. Klenda, B.A., CFP

Chairman and Director

Mr. Klenda graduated from the University of Colorado in 1980 and began his career as a stockbroker specializing in venture capital offerings. He has been a Certified Financial Planner (CFP) since 1985 and is a member of the International Board of Standards and Practices for Certified Financial Planners (IBCFP). In 1988, he started Klenda Financial Services, Inc., 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 he formed Independent Brokers of America, Inc. (IBA). IBA was a national marketing organization providing securities and insurance products to independent investment advisors throughout the U.S. Mr. Klenda is President of Security First Financial, a company he founded to provide consultation to individuals and corporations seeking investment management and early stage funding. Mr. Klenda is currently Chief Executive Officer, Chairman and a director of Aura Silver Resources Inc. (director since August 2004, Chief Executive Officer and Chairman since February 2006). Mr. Klenda became a director of the Corporation in August 2004 and Chairman of the Board of Directors in January 2006.

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

President, Chief Executive Officer and 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 US geologist and VP U.S. Operations (September 2004 to January 2006). Prior to his involvement with the Corporation, Mr. Boberg was a consulting geologist having over 35 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. Mr. Boberg has over 18 years experience exploring for uranium in the continental US. He discovered the Ruby Ranch and the Moore Ranch uranium deposits as well as several smaller deposits in Wyoming's Powder River Basin.

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

Chief Scientist and Director

Dr. Franklin has over 37 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 and, since 2001, at Laurentian University. 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 Phoenix Matachewan Mines Inc. (since September, 2000), Patrician Diamonds Inc. (since January, 1998), Aura Silver Resources Inc. (since October, 2003), RJK Exploration Ltd. (since July, 2001) and Spider Resources Ltd. (since July, 2006).

Paul Macdonell, B. Public.Admin.

Director, Chair of the Audit and Compensation Committees

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. Mr. Macdonell is the chair of the Audit Committee for Phoenix Matachewan Mines Inc., Patrician Diamonds Inc. and Aura Silver Resources Inc. He has been a director of Patrician Diamonds Inc. since 1996, of Phoenix Matachewan Mines Inc. since September, 2000 and of Aura Silver Resources Inc. since October, 2003.

Robert Boaz, M. Economics, Hon. BA

Director

Mr. Boaz has 18 years in the investment banking business after a career in the power and natural gas industry, working in management positions for Ontario Hydro, Saskatchewan Power and Consumers Gas. He has held senior management positions in a number of firms in the investment industry with direct responsibilities related to research, portfolio management, institutional sales and investment banking. From 2004 to March 2006, Mr. Boaz was Managing Director Investment Banking with Raymond James Ltd. in Toronto. From 2000 to 2004 Mr. Boaz was Vice President and Head of Research and in-house portfolio strategist for Dundee Securities Corporation. Mr. Boaz is a director of Aura Silver Resources Inc., Au Ex Ventures Inc. and Chair of Solex Resources Corp.

Gary Huber, Ph.D.

Director

Dr. Huber is a mining company executive with over 30 years of diversified natural resource experience. He was a founder of Canyon Resources Corporation, currently a gold company which was initially formed for the purpose of uranium exploration in the western United States. During the period from 1979 to 2006 he held various positions with Canyon including: Director, Chief Financial Officer, and Vice President-Finance. He was also President and Chief Executive Officer of Canyon's industrial minerals subsidiary which operated and sold functional fillers and specialty products from two processing facilities and three mines. Prior responsibilities in the 1970's have included uranium property acquisition, exploration and production activities for Energy Reserves Group in the central Colorado Plateau area. Presently, Dr. Huber is the Director of IRC Capital Group, an investment arm of International Royalty Corporation. Dr. Huber holds a Ph.D. from the Colorado School of Mines.

Management of the Corporation does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed.

Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers of the Corporation is, or has been within the ten years before the date of this Circular, 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 issuer 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, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that company.

Penalties or Sanctions

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.

Personal Bankruptcies

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

Appointment of Auditors

At the Meeting, it is proposed to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders with their remuneration to be fixed by the Board of Directors. PricewaterhouseCoopers LLP and its affiliates have been the auditors of the Corporation since December 2004.

The aggregate fees billed by PricewaterhouseCoopers LLP for audit and audit-related services in relation to the Corporation's financial year ended December 31, 2006 were \$101,565. Of this total, \$60,000 was paid in 2007. The aggregate fees billed by PricewaterhouseCoopers LLP for all non-audit services rendered in relation to the Corporation during the year were \$71,967, which were paid in 2006. The Audit Committee has determined that the nature of the non-audit services rendered during 2006, and the aggregate fees billed in respect of those services, were consistent with maintaining the auditors' independence.

Approval of the Corporation's New By-Law No. 1

At the Meeting, shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, a resolution substantially in the form set out in Schedule A attached to this Circular, to confirm the approval of the Corporation's new By-Law No. 1 ("By-Law Resolution"). The Corporation was incorporated by articles of incorporation under the laws of the Province of Ontario on March 22, 2004. On August 7, 2006, the Corporation filed articles of continuance and continued under the laws of Canada. In conjunction with the continuance, a new By-Law No. 1 was adopted by the Board of Director on August 10, 2006, subject to confirmation by the shareholders at the next annual and special meeting of shareholders of the Corporation. A copy of the By-Law No. 1 is attached hereto as Appendix I to Schedule A.

In order to become effective, the By-law Resolution must be approved by a vote of a majority of the votes cast at the Meeting, in person or by proxy.

Recommendation of Ur-Energy Inc.'s Board of Directors

After careful consideration, the Board of Directors has determined that the By-Law Resolution is in the best interests of the Corporation's shareholders. The Board of Directors unanimously approved the By-Law Resolution and recommends approval of the resolution by the Corporation's shareholders.

Amendment to the Articles of the Corporation

At the Meeting, shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, a special resolution substantially in the form set out in Schedule B attached to this Circular, to amend the articles of the Corporation (the "Article Amendment Resolution") to permit the Corporation to hold meetings of shareholders at any place within Canada and the United States, as the directors in their discretion decide from time to time.

The Corporation has operations both in Canada and the United States. In addition, the Corporation's shareholders are located primarily in Canada and the United States. Management determined that it would be appropriate to amend the articles of the Corporation, as required under the *Canada Business Corporations Act*, to allow the Corporation additional flexibility to hold shareholders' meetings, from time to time, in the United States as well as in Canada. This would potentially allow the Corporation to showcase its operations to shareholders and meet with more of its shareholder base.

In order to become effective, the Article Amendment Resolution must be approved by a vote of two thirds of the votes cast at the Meeting, in person or by proxy.

Recommendation of Ur-Energy Inc.'s Board of Directors

After careful consideration, the Board of Directors has determined that the Article Amendment Resolution in the best interests of the Corporation's shareholders. The Board of Directors unanimously approved the Article Amendment Resolution and recommends approval of the special resolution by the Corporation's shareholders.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table sets forth the summary information concerning compensation paid or earned during the most recently completed financial year by the Corporation's Chief Executive Officer and Chief Financial Officer and the three highest paid executive officers, who were serving as executive officers at December 31, 2006 (collectively, the "Named Executive Officers").

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (C\$) / # Shares
		Salary (C\$)	Bonus (C\$)	Other Annual Compensation (C\$) ⁽⁶⁾	Common Shares Under Options Granted (#)	
W. William Boberg ⁽¹⁾ President, Chief Executive Officer and Director	2006	Nil	Nil	\$290,613	400,000 ⁽⁷⁾	\$706,500 / 525,000 ⁽¹²⁾
	2005	Nil	Nil	\$233,722	400,000 ⁽⁷⁾	\$58,400 / 145,000
	2004	Nil	Nil	\$36,656	Nil	\$5,100 / 30,000
John McNeice ⁽²⁾ Chief Financial Officer	2006	Nil	Nil	\$143,300	125,000 ⁽⁸⁾	\$45,091 / 72,727
	2005	Nil	Nil	\$122,025	300,000 ⁽⁸⁾	\$35,609 / 137,273
	2004	Nil	Nil	\$19,000	Nil	\$6,800 / 40,000
Harold Backer ⁽³⁾ Vice-President, US Operations	2006	Nil	Nil	\$144,382	200,000 ⁽⁹⁾	- / -
	2005	Nil	Nil	\$114,498	200,000 ⁽⁹⁾	- / -
	2004	Nil	Nil	\$41,662	Nil	- / -

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation	All Other Compensation (C\$) / # Shares
		Salary (C\$)	Bonus (C\$)	Other Annual Compensation (C\$) ⁽⁶⁾	Common Shares Under Options Granted (#)	
Jeffrey Klenda ⁽⁴⁾ Chairman and Director	2006	Nil	Nil	\$104,352	400,000 ⁽¹⁰⁾	\$124,000 / 200,000
	2005	Nil	Nil	\$23,683	400,000 ⁽¹⁰⁾	\$31,000 / 50,000
	2004	Nil	Nil	–	–	– / –
Paul Pitman ⁽⁵⁾ Vice President Canadian Exploration and Director	2006	Nil	Nil	\$86,887	100,000 ⁽¹¹⁾	\$41,846 / 246,154
	2005	Nil	Nil	\$114,498	400,000 ⁽¹¹⁾	\$20,923 / 123,077
	2004	Nil	Nil	\$41,662	–	\$5,231 / 30,769

- (1) Mr. Boberg was a consultant to the Corporation from September 21, 2004 to December 31, 2006. Mr. Boberg entered into an employment agreement with the Corporation dated January 1, 2007. W. William Boberg was confirmed as President and Chief Executive Officer on May 29, 2006 after having been appointed President, Acting Chief Executive Officer and a Director on January 11, 2006. Previously, from September 2004 to January 11, 2006, Mr. Boberg had been a consultant and Vice-President, US Operations of the Corporation.
- (2) John McNeice is a consultant to the Corporation and was appointed to the position of Chief Financial Officer effective September 1, 2004. Mr. McNeice was appointed Corporate Secretary of the Corporation in February 2006.
- (3) Mr. Backer was a consultant to the Corporation from May 2005 to December 31, 2006. Mr. Backer entered into an employment agreement with the Corporation on January 1, 2007.
- (4) Mr. Klenda was a consultant to the Corporation from August 2005 to December 31, 2006. Mr. Klenda entered into an employment agreement with the Corporation dated January 1, 2007. Mr. Klenda became Chairman of the Board of Directors of the Corporation when Mr. Robin Dow resigned on January 11, 2006.
- (5) Mr. Pitman is a consultant to the Corporation and was appointed Vice President, Canadian Exploration on January 11, 2006. Previously, from September 2004 to January 11, 2006, Mr. Pitman had been a consultant and President of the Corporation.
- (6) All executive officers of the Corporation prior to January 1, 2007 were consultants to the Corporation. Mr. McNeice and Mr. Pitman continue to be consultants to the Corporation.
- (7) In 2006, Mr. Boberg received options for 400,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. In 2005, Mr. Boberg received options for 400,000 Common Shares on November 17, 2005 at a price of \$1.25 per share. These options expire on November 12, 2010.
- (8) In 2006, Mr. McNeice received options for 75,000 Common Shares on March 24, 2006 at a price of \$2.01 per share and options for 50,000 Common Shares on April 21, 2006 at a price of \$2.35. These options expire on March 25, 2011 and April 21, 2011, respectively. In 2005, Mr. McNeice received options for 300,000 Common Shares on November 17, 2005 at a price of \$1.25 per share. These options expire on November 17, 2010.
- (9) In 2006, Mr. Backer received options for 200,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. In 2005, Mr. Backer received options for 200,000 Common Shares on November 17, 2005 at a price of \$1.25 per share. These options expire on November 17, 2010.
- (10) In 2006, Mr. Klenda received options for 400,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. In 2005, Mr. Klenda received options for 400,000 Common Shares on November 17, 2005 at a price of \$1.25 per share. These options expire on November 17, 2010.
- (11) In 2006, Mr. Pitman received options for 100,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. In 2005, Mr. Pitman received options for 400,000 Common Shares on November 17, 2005 at a price of \$1.25 per share. These options expire on November 12, 2010.
- (12) Mr. Boberg received an additional 300,000 Common Shares, at a price of \$1.89 per share, as a performance bonus for services rendered to the Corporation.

Stock Options

The Corporation has adopted the Ur-Energy Inc. Stock Option Plan 2005 (the "Plan") in order to advance the interests of the Corporation by providing directors, officers, employees and consultants with a financial incentive tied to the long-term financial performance of the Corporation and continued service or employment with the Corporation.

A total of 10% of the Corporation's issued and outstanding Common Shares are reserved for issuance pursuant to the Plan. As at April 12, 2007, this represented 7,409,024 Common Shares. Of these, 5,801,800 (representing 7.83% of the currently outstanding Common Shares) are issuable upon the exercise of currently outstanding options and 1,607,224 Common Shares (representing 2.17% of the currently outstanding Common Shares) are available for future option grants. The number of shares reserved is subject to adjustment if the Common Shares are subdivided, consolidated, converted or reclassified or the number of Common Shares varies as a result of a stock dividend or an increase or a reduction in the share capital of the Corporation.

Under the Plan, options may be granted to all directors, officers, employees and consultants of the Corporation. The maximum number of Common Shares that may be reserved for issuance to any one person under the Option Plan is 5% of the number of Common Shares outstanding at the time of reservation. The exercise price for Common Shares subject to an option is determined by the Board of Directors at the time of grant and may not be less than the market price of the Common Shares at the time the option is granted. Options are generally exercisable as to 10% immediately on the date of grant; with an additional 22% becoming exercisable four and one-half months after the date of grant; 22% becoming exercisable nine months after the date of grant; 22% thirteen and one-half months after the date of grant; and, the balance of 24% eighteen months after the date of grant, subject to the right of the Board of Directors to determine at the time of a particular grant that such options will become exercisable on different dates. An option may be for a term of up to five years and may not be assigned.

Options granted under the Plan are subject to early termination under certain circumstances, including (i) one year after the death of the option holder, (ii) three months after the option holder's resignation or dismissal without cause as an employee, or (iii) immediately upon the option holder's dismissal for cause as employee. In each case, only options exercisable at the time of the event which gave rise to such early termination may be exercised by the option holder during such period. In addition, the Board of Directors amended the Plan in March 2007 to provide that on a change of control all options under the Plan vest immediately and are immediately exercisable.

The Plan and the terms of any outstanding option may be amended at any time by the Board of Directors subject to any required regulatory or shareholder approvals, provided that where such an amendment would prejudice the rights of an option holder under any outstanding option, the consent of the option holder is required to be obtained.

The following table sets forth information concerning options granted by the Corporation to each of the Named Executive Officers during the financial year ended December 31, 2006.

Option Grants During the Financial Year Ended December 31, 2006

Name	Common Shares Under Options Granted (#)	% of Total Options Granted in Financial Year	Exercise or Base Price (C\$/Security)	Market Value of Common Shares Underlying Options on Date of Grant (C\$)	Expiration Date
W. William Boberg ⁽¹⁾⁽⁶⁾	400,000	19.66%	\$2.35	\$940,000	April 21, 2011
John McNeice ⁽²⁾⁽⁶⁾	125,000	6.15%	75,000@\$2.01 50,000@\$2.35	\$150,750 \$117,500	March 25, 2011 April 21, 2011
Harold Backer ⁽³⁾⁽⁶⁾	200,000	9.83%	\$2.35	\$470,000	April 21, 2011
Jeffrey Klenda ⁽⁴⁾⁽⁶⁾	400,000	19.66%	\$2.35	\$940,000	April 21, 2011
Paul Pitman ⁽⁵⁾⁽⁶⁾	100,000	4.91%	\$2.35	\$235,000	April 21, 2011

- (1) Mr. Boberg was a consultant to the Corporation from September 21, 2004 to December 31, 2006. Mr. Boberg entered into an employment agreement with the Corporation dated January 1, 2007. W. William Boberg was confirmed as President and Chief Executive Officer on May 29, 2006 after having been appointed President, Acting Chief Executive Officer and a Director on January 11, 2006. Previously, from September 2004 to January 11, 2006, Mr. Boberg had been a consultant and Vice-President, US Operations of the Corporation.
- (2) John McNeice is a consultant to the Corporation and was appointed to the position of Chief Financial Officer effective September 1, 2004. Mr. McNeice was appointed Corporate Secretary of the Corporation in February 2006.
- (3) Mr. Backer was a consultant to the Corporation from May 2005 to December 31, 2006. Mr. Backer entered into an employment agreement with the Corporation on January 1, 2007.
- (4) Mr. Klenda was a consultant to the Corporation from August 2005 to December 31, 2006. Mr. Klenda entered into an employment agreement with the Corporation dated January 1, 2007. Mr. Klenda became Chairman of the Board of Directors of the Corporation when Mr. Robin Dow resigned on January 11, 2006.
- (5) Mr. Pitman is a consultant to the Corporation and was appointed Vice President, Canadian Exploration on January 11, 2006. Previously, from September 2004 to January 11, 2006, Mr. Pitman had been a consultant and President of the Corporation.
- (6) All executive officers of the Corporation prior to January 1, 2007 were consultants to the Corporation. Mr. McNeice and Mr. Pitman continue to be consultants to the Corporation.

The following table sets forth information concerning the exercise of options during the most recently completed financial year by each of the Named Executive Officers and the financial year-end value of unexercised options, on an aggregated basis.

**Aggregated Option Exercises During the Financial Year Ended December 31, 2006
and Financial Year-End Option Values**

Name	Common Shares Acquired on Exercise (#)	Aggregate Value Realized (C\$)	Unexercised Options at December 31, 2006 (#) (Exercisable/ Unexercisable)	Value of Unexercised in-the- Money Options at December 31, 2006 (C\$) (Exercisable/ Unexercisable)
W. William Boberg ⁽¹⁾	Nil	Nil	344,000 / 456,000	\$757,040 / \$890,960
John McNeice	Nil	Nil	218,500 / 206,500	\$521,905 / \$475,345
Harold Backer	Nil	Nil	172,000 / 228,000	\$378,520 / \$445,480
Jeffrey Klenda	Nil	Nil	344,000 / 457,000	\$757,040 / \$890,960
Paul Pitman	Nil	Nil	248,000 / 252,000	\$612,080 / \$582,920

(1) W. William Boberg exercised options for 100,000 Common Shares at \$1.25 per share on January 22, 2007 and options for 100,000 Common Shares on February 16, 2007 at \$1.25 per share.

Employment Contracts

The Corporation entered into an employment agreement with Mr. W. William Boberg dated January 1, 2007. Mr. Boberg is entitled to a salary of USD\$240,000 per year and a discretionary bonus to be set by the Board of Directors. Mr. Boberg is entitled to receive stock option grants under the terms and conditions of the Plan and as determined by the Board of Directors. In the event that the Corporation terminates the employment agreement with Mr. Boberg for non-causal reasons, Mr. Boberg will be entitled to a lump sum payment equivalent to two years base salary. In the event of a change of control of the Corporation, Mr. Boberg may be entitled to a lump sum payment equivalent to two years base salary.

The Corporation entered into a consulting agreement with Mr. John McNeice dated September 1, 2004 as amended April 1, 2005. The term of the agreement extends to December 1, 2007. Mr. McNeice is compensated for his consulting services at a rate of \$125 per hour. Mr. McNeice is entitled to receive stock option grants under the terms and conditions of the Plan and as determined by the Board of Directors.

The Corporation entered into an employment agreement with Mr. Harold Backer dated January 1, 2007. Mr. Backer is entitled to a salary of USD\$144,000 per year and a discretionary bonus to be set by the Board of Directors of the Corporation. Mr. Backer is entitled to receive stock option grants under the terms and conditions of the Plan and as determined by the Board of Directors. In the event the Corporation terminates the employment agreement with Mr. Backer for non-causal reasons, Mr. Backer will be entitled to a lump sum payment equivalent to two years base salary. In the event of change of control of the Corporation, Mr. Backer may be entitled to a lump sum payment equivalent to two years base salary.

The Corporation entered into an employment agreement with Mr. Jeffrey Klenda, dated January 1, 2007. Mr. Klenda is entitled to a salary of USD\$144,000 per year and a discretionary bonus to be set by the Board of Directors. Mr. Klenda is entitled to receive stock option grants under the terms and conditions of the Plan and as determined by the Board of Directors. Stock options that Mr. Klenda had previously received will continue to vest in accordance with the Plan. In the event that the Corporation terminates the employment agreement with Mr. Klenda for non-causal reasons, Mr. Klenda will be entitled to a lump sum payment equivalent to two years base salary. In the event of a

change of control of the Corporation, Mr. Klenda may be entitled to a lump sum payment equivalent to two years base salary.

The Corporation entered into a consulting agreement with Mr. Paul Pitman dated September 21, 2004 as amended November 4, 2004. The term of the agreement extends to December 1, 2007. Mr. Pitman is compensated for his consulting services at a rate of \$87.50 per hour. Mr. Pitman is entitled to receive stock option grants under the terms and conditions of the Plan and as determined by the Board of Directors.

Report on Executive Compensation and Composition of the Compensation Committee

The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to the overall approach to compensation for Ur-Energy and specifically with respect to the executive officers of the Corporation, including the President and Chief Executive Officer, and the remuneration of directors. The Committee also administers the Plan. During the fiscal year ending December 31, 2006, the Compensation Committee was comprised of Paul Macdonell (Chair), Robert Boaz and James Franklin. The Compensation Committee met two times during 2006. As of January 4, 2007, Gary Huber replaced James Franklin on the Compensation Committee and Mr. Franklin was named a non-voting, *ex officio* member of the Compensation Committee.

During the course of 2006, the Committee implemented a new employment regime for most of the individuals working for the Corporation, who had previously been independent contractors, including some of its executive officers. As part of the employment regime, employees were provided with benefits and various guidelines and policies with respect to the employment regime.

The Corporation entered into employment contracts with a number of its executive officers as of January 1, 2007. See "Employment Agreements". Prior to entering into the agreements, the Committee reviewed compensation information with respect to several comparable executive officers in the mining industry. The Committee's approach to compensation for the executive officers who became employees was to provide a base salary, certain benefits and a longer term incentive in the form of stock options. The Committee considered a variable incentive component and determined to review this on an ongoing basis which might include a cash bonus or equity component in the future.

Some executive officers continue to be consultants to the Corporation and the Committee reviewed their hourly/daily billing rates and longer term incentive in the form of stock options with respect to these individuals.

Chief Executive Officer's Compensation

When Mr. Boberg became President and Chief Executive Officer, the Compensation Committee reviewed Mr. Boberg's existing compensation in light of his new position and responsibility and adjusted it based on market information of comparable companies and also with a view to having Mr. Boberg become a salaried employee. Mr. Boberg entered into an employment agreement with the Corporation on January 1, 2007.

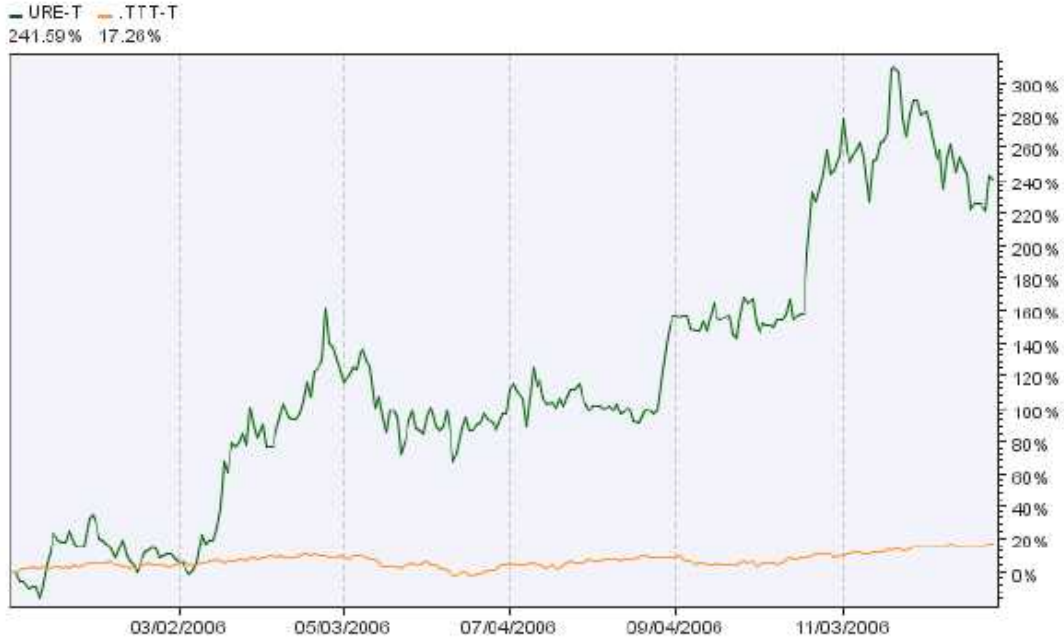
During 2006, the Compensation Committee adjusted Mr. Boberg's consulting arrangement compensation to reflect a compensation model based on a base fee structure and a long term equity component. The Compensation Committee also recognized Mr. Boberg's contribution to the Corporation with the issuance of 300,000 Common Shares to Mr. Boberg, approved by shareholders at the annual and special meeting of shareholders on May 17, 2006. Mr. Boberg received options for 400,000 Common Shares in 2006 as long term equity compensation.

This report on executive compensation is submitted by the directors of the Compensation Committee:

Paul Macdonell (Chair)
 Robert Boaz
 Gary Huber
 James Franklin (*ex officio*)

Performance Graph

The following graph illustrates the period from January 1, 2006 to December 31, 2006 and reflects the cumulative shareholder return of an investment in Common Shares of the Corporation compared to the cumulative return of an investment in the S&P/TSX Composite Index assuming that C\$100 was invested on January 1, 2006 and, where applicable, reinvestment of dividends.



	January 1, 2006	December 31, 2006
Ur-Energy Inc.	\$100	\$342
S&P/TSX Composite	\$100	\$117

Indebtedness of Directors, Executive Officers and Others

At no time since the beginning of the Corporation’s last financial year was any director, executive officer, proposed nominee for election as a director, or any of their respective associates, indebted to the Corporation or any of its subsidiaries, nor was the indebtedness of any such person to another entity the subject of any guarantee, support agreement, letter of credit or similar arrangement provided by the Corporation or any of its subsidiaries.

Compensation of Directors

The Compensation Committee is in the process of developing a compensation plan for non-management directors to recommend to the Board of Directors. Currently, newly appointed directors each receive an initial grant of 200,000 Common Shares. Non-management directors are also eligible to receive an annual grant of options each year.

Mr. Boaz received an additional grant of options for 200,000 Common Shares on September 27, 2006 and Mr. Macdonell received an additional grant of options for 50,000 Common Shares on April 21, 2006.

Directors' and Officers' Liability Insurance

The Corporation has entered into a directors and officers liability insurance policy for the benefit of the directors and officers of the Corporation and its subsidiaries. The annual limit for all claims under the policy is USD\$5 million, subject to a per claim deductible that ranges from nil to USD\$75,000 depending on the nature of any claim. The annual premium payable by the Corporation under the policy is USD\$45,000. The Corporation's current coverage under the policy continues until April 8, 2006.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain summary information concerning the Corporation's equity compensation plans as at December 31, 2006. Directors, officers, employees and contractors are eligible to participate in the Plan.

	Number of Common Shares to be Issued Upon Exercise of Outstanding Options or Pursuant to Contractor Share Agreements	Weighted Average Exercise Price of Outstanding Options / Average Price at Grant of Contractor Shares (C\$)	Number of Common Shares Remaining for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options)
Equity compensation plans approved by securityholders (Ur-Energy Inc. Stock Option Plan 2005)	5,406,000	\$1.69	1,941,505
Total	5,406,000	\$1.69	1,941,505

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no insider of the Corporation or proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Certain of the Corporation's officers and directors also serve as directors and officers of one or more of Aura Silver Resources Inc., Phoenix Matachewan Mines Inc. and Patrician Diamonds Inc. 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 each company. Phoenix Matachewan Mines Inc. is in the business of gold and precious metal exploration in Canada and the United States. Patrician Diamonds Inc. explores for diamonds in Canada and Aura Silver Resources Inc. is in the silver and gold exploration business in Canada, Mexico and the United States.

A conflict did arise between the Corporation and Patrician Diamonds Inc. when each found themselves having interests in both uranium and diamond potential in the Dismal Lake area of the Northwest Territories. As a result, they entered into a letter of intent on May 24, 2005. Subsequently, on February 24, 2006, the parties agreed to terminate the arrangements by mutual consent and to unwind the arrangements. Patrician repaid to the Corporation \$50,000 and returned 100,000 Common Shares for cancellation by the Corporation. The Corporation subsequently paid to Patrician \$37,448 for the costs related to staking. As a result of the termination of this arrangement, the Corporation did not seek shareholder approval of the initially contemplated transaction.

To date, no other situations of potential conflict have arisen as a result of the cross directorships and cross shareholdings. Except as otherwise disclosed in this Circular, no person who has been a director or senior officer of the Corporation since the commencement of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Introduction

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Board of Directors has reviewed the corporate governance best practices identified in National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the "CSA Guidelines"). The Board of Directors is committed to ensuring that the Corporation follows best practices and is in the process of developing such practices.

Board Mandate

The responsibility of the Board of Directors is to supervise the management of the business and affairs of the Corporation in accordance with the best interests of the Corporation and all of its shareholders. The Board of Directors does not currently have a written mandate or a written description for the Chair of the Board of Directors or the Chief Executive Officer. In discharging its responsibility, the Board of Directors reviews the performance and responsibilities of the President and Chief Executive Officer and oversees and reviews the development and implementation of the following significant corporate plans and initiatives:

- the Corporation's strategic planning and budgeting process;
 - the identification of the principal risks to the Corporation's business and the implementation of systems to manage these risks;
 - succession planning, including appointing, training and monitoring senior management;
-

- the Corporation's public communications policies and continuous disclosure record; and
- the Corporation's internal controls and management information systems.

The Board of Directors meets at least four times a year, and more frequently if required. In 2006, the Board of Directors met 14 times. In addition, the Board of Directors took numerous actions by written resolution.

To date, the Board of Directors has not had a regular policy of holding meetings of its independent directors; however, with the changes in the composition of the Board of Directors it is expected that such meetings will occur from time to time in the future.

The Board of Directors recruit possible directors from contacts within the mining industry or other strategic areas that will compliment the knowledge and depth of the Board of Directors. The Board of Directors determined that six directors was an appropriate number of directors to oversee and provide guidance to management on the business and affairs of the Corporation.

In addition, new directors who are joining the Board of Directors are provided with a basic orientation of the Corporation, the Board of Directors, the committees of the Board of Directors and meet with the other directors prior to joining the Board of Directors. In addition, new directors have the opportunity to meet with management of the Corporation to have an understanding of the business of the Corporation and its operations. Directors are encouraged to participate in corporate governance and education courses that will assist them in their role as directors of the Corporation or on various committees.

Board Composition

As of the time of the Meeting, the Board of Directors is composed of six directors. All directors are elected annually.

The current slate of six directors includes Mr. W. William Boberg, the President and Chief Executive Officer of the Corporation, Dr. James Franklin, Chief Scientist of the Corporation, Mr. Jeffrey Klenda, Chairman of the Board of Directors of the Corporation, Mr. Paul Macdonell, Mr. Robert Boaz and Dr. Gary Huber. Messrs. Macdonell, Boaz and Huber are independent directors as contemplated by the CSA Guidelines (i.e. each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgment). As Chief Scientist, Dr. Franklin does not meet the strict criteria of independence as contemplated by the CSA Guidelines; however, Mr. Franklin is a consultant to several companies and received fees of \$29,250 from the Corporation during 2006 and, therefore, is considered by the Board of Directors as being independent of management. In determining whether a director is independent, the Board of Directors considers the specific circumstances of a director and the nature, as well as materiality, of any relationship between the director and the Corporation.

Mr. Klenda is the Chair of the Board of Directors and is not an independent director. With the addition of Mr. Boaz and Mr. Huber, as independent directors, the Board of Directors is evaluating the role of a lead independent director or possibly an independent Chair of the Board of Directors.

Several of the directors are directors for other reporting issuers or the equivalent, as disclosed in the directors' biographies.

Board Committees

There are two permanent Board of Directors committees: the Audit Committee and the Compensation Committee. The Board of Directors may also appoint other temporary or permanent committees from time to time for particular purposes.

Currently, the Board of Directors does not have a Corporate Governance or Nominating Committee. The Board of Directors as a whole evaluates corporate governance requirements, the conduct of the Board of Directors and the respective roles of the committees; and identifies and recommends for nomination reliable candidates for election as directors.

The following sets out the Report of the Audit Committee as well as a summary of the responsibilities and activities of the other Board of Directors committees.

Audit Committee

The Audit Committee assists the Board of Directors in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The duties and responsibilities of the Audit Committee include the following:

- reviewing for recommendation to the Board of Directors for its approval the principal documents comprising the Corporation's continuous disclosure record, including interim and annual financial statements and management's discussion and analysis;
- recommending to the Board of Directors a firm of independent auditors for appointment by the shareholders and reporting to the Board of Directors on the fees and expenses of such auditors. The Audit Committee has the authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Audit Committee has the authority to approve all audit engagement fees and terms and the Audit Committee, or a member of the Audit Committee, must review and pre-approve any non-audit services provided to the Corporation by the Corporation's independent auditor and consider the impact on the independence of the auditor;
- reviewing periodic reports from the Chief Financial Officer;
- discussing with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response; and
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

The Audit Committee maintains direct communication during the year with the Corporation's independent auditor and the Corporation's senior officers responsible for accounting and financial matters.

Three of the members of the Audit Committee, Messrs. Macdonell, Boaz and Huber, are independent directors pursuant to *Multilateral Instrument 52-110 Audit Committees* ("MI 52-110"). Each of the members are financially literate as defined in MI 52-110. The members of the Audit Committee

during 2006 were Paul Macdonell (Chair), Robert Boaz and James Franklin. In January 2007, Mr. Huber was appointed to the Audit Committee and Mr. Franklin resigned.

Report of the Audit Committee

During 2006, the Audit Committee met four times. The activities of the Audit Committee over the past year included the following:

- review of preliminary and final short form prospectus of the Corporation including the financial statements and management's discussion and analysis incorporated by reference therein;
- reviewing the quarterly interim financial statements of the Corporation and management's discussion and analysis prior to filing with Canadian regulatory authorities;
- reviewing periodic reports from the Chief Financial Officer;
- reviewing applicable Canadian corporate disclosure reporting and control processes, including Chief Executive Officer and Chief Financial Officer certification;
- reviewing Audit Committee governance practices to ensure its terms of reference incorporate all regulatory requirements; and
- reviewing the engagement letter with the independent auditors and annual audit fees prior to approval by the Board of Directors, as well as pre-approving non-audit services and their cost prior to commencement.

The Audit Committee has reviewed and discussed with management and the independent auditors the Consolidated Financial Statements of the Corporation as at December 31, 2006 and Management's Discussion and Analysis. Based on that review and on the report of the independent auditor of the Corporation, the Audit Committee recommended to the Board of Directors that such Financial Statements and Management's Discussion and Analysis be approved and filed with Canadian regulatory authorities.

The Audit Committee has recommended to the Board of Directors that the shareholders of the Corporation be requested to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as the independent auditor for 2007.

A copy of the charter of the Audit Committee adopted in March 2006 is attached as an appendix to the Annual Information Form of the Corporation for the year ended December 31, 2006, which is available electronically at www.sedar.com. The Annual Information Form also contains disclosure relating to the composition of the Audit Committee and the qualifications of each of its members.

Compensation Committee

The Compensation Committee assists the Board of Directors in carrying out its responsibilities relating to personnel matters, including performance, compensation and succession. The Compensation Committee has prepared terms of reference which include annual objectives against which to assess members of management including the President and Chief Executive Officer,

reviewing and making recommendations to the Board of Directors with respect to employee and contractor compensation arrangements including stock options and management succession planning.

The Compensation Committee met two times in 2006. A part of each meeting is conducted without management present, including for the purpose of specifically discussing the compensation of the President and Chief Executive Officer. The members of the Committee during 2006 were Paul Macdonell (Chair), James Franklin and Robert Boaz. In January 2007, Gary Huber replaced James Franklin. Mr. Franklin remains a non-voting *ex officio* member of the Committee.

Summary of Committee Memberships and Record of Attendance for 2006

During the year ended December 31, 2006, the Board of Directors and its committees held the following numbers of meetings:

Board of Directors	14 ⁽¹⁾
Audit Committee (“AC”)	4
Compensation Committee (“CC”)	2
Total number of meetings held	20

(1) In addition to the 14 meetings held by the Board of Directors, a number of actions were taken by resolution in writing.

Director	Committee Memberships	Board Meetings Attended	Committee Meetings Attended
Jeffrey T. Klenda		14	
Eric Craigie		14	
James M. Franklin	AC, CC	10	AC - 4; CC - 2
Paul W. Pitman		14	
Paul Macdonell	AC, CC	11	AC - 4; CC - 2
Robert Boaz	AC, CC	14	AC - 4; CC - 2
W. William Boberg		13	

Ethical Business Conduct

The Corporation is in the process of adopting a written Code of Ethics (the “Code”). The Board of Directors has reviewed several drafts of the Code which is now in the process of being finalized. All directors, officers, employees and consultants of the Corporation will be expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. The Board of Directors will ultimately be responsible for the application of the Code to the affairs of the Corporation. When the Code has been finalized a copy will be available at the Corporation’s website at www-ur-energy.com.

Shareholder Feedback

The Board of Directors believes that management should speak for the Corporation in its communications with shareholders and others in the investment community and that the Board of Directors should be satisfied that appropriate investor relations programs and procedures are in place. Management meets regularly with shareholders and others in the investment community to receive and respond to shareholder feedback.

The Board of Directors regularly reviews the Corporation's major communications with shareholders and the public, including periodic press releases and the management information circular.

Expectations of Management

The Board of Directors believes that it is appropriate for management to be responsible for the development of long-term strategies for the Corporation. Meetings of the Board of Directors are held, as required, to specifically review and deal with long-term strategies of the Corporation as presented by senior members of management.

The Board of Directors appreciates the value of having selected senior officers attend board meetings to provide information and opinions to assist the directors in their deliberations. The Chair arranges for the attendance of senior officers at board meetings in consultation with the President and Chief Executive Officer.

ADDITIONAL INFORMATION

Additional financial information for the Corporation is available in the Corporation's audited consolidated financial statements for the year ended December 31, 2006 and related management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2006, which have been filed with Canadian securities regulators and are available under the Corporation's profile at www.sedar.com.

Upon request made to the Secretary of the Corporation at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, the Corporation will provide a shareholder of the Corporation with a copy of its audited consolidated financial statements for the year ended December 31, 2006 and related management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2006.

APPROVAL BY BOARD OF DIRECTORS

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED at Denver, Colorado, this 12th day of April, 2007.

By Order of the Board of Directors

/s/ W. William Boberg

President and Chief Executive Officer

Schedule A – By-Law Resolution

RESOLVED THAT By-Law No. 1 of the Corporation, as set forth in Appendix I hereto, as passed by the Board of Directors of the Corporation on August 10, 2006 is hereby confirmed.

Appendix I

BY-LAW NO. 1

A by-law relating generally to
the transaction of the business
and affairs of

UR-ENERGY INC.

DIRECTORS

1 . Calling of and notice of meetings Meetings of the board will be held on such day and at such time and place as the President or Secretary of the Corporation or any two directors may determine. Notice of meetings of the board will be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.

2 . Votes to govern At all meetings of the board every question will be decided by a majority of the votes cast on the question; and in case of an equality of votes the chair of the meeting will not be entitled to a second or casting vote.

3 . Interest of directors and officers generally in contracts No director or officer will be disqualified by his or her office from contracting with the Corporation nor will any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor will any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established provided that, in each case, the director or officer has complied with the provisions of the *Canada Business Corporations Act*.

SHAREHOLDERS' MEETINGS

4 . Quorum A quorum for the transaction of business at any meeting of shareholders of the Corporation shall be two shareholders present in person or represented by proxy holding one or more shares of the Corporation entitled to be voted at such meeting.

If at any such meeting a quorum is not present within thirty minutes after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than seven days later.

5 . Meetings by telephonic or electronic means A meeting of the shareholders may be held by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

6 . Postponement or cancellation of meetings A meeting of shareholders may be postponed or cancelled by the board at any time prior to the date of the meeting.

7 . Procedures at meetings The board may determine the procedures to be followed at any meeting of shareholders including, without limitation, the rules of order. Subject to the foregoing, the chair of a meeting may determine the procedures of the meeting in all respects.

INDEMNIFICATION

8. Indemnification of directors and officers The Corporation will indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity, and his or her heirs and legal representatives to the extent permitted by the *Canada Business Corporations Act*.

9 . Indemnity of others Except as otherwise required by the *Canada Business Corporations Act* and subject to paragraph 9, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee, agent of or participant in another entity against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she served at the Corporation's request and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction will not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation or other entity and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his or her conduct was lawful.

1 0 . Right of indemnity not exclusive The provisions for indemnification contained in the bylaws of the Corporation will not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of that person's heirs and legal representatives.

1 1 . No liability of directors or officers for certain matters To the extent permitted by law, no director or officer for the time being of the Corporation will be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation will be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation will be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same will happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation is employed by or performs services for the Corporation otherwise than as a director or officer or is a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services

for the Corporation, the fact that the person is a director or officer of the Corporation will not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

BANKING ARRANGEMENTS, CONTRACTS, ETC.

12. Banking arrangements The banking business of the Corporation, or any part thereof, will be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, will be transacted on the Corporation's behalf by one or more officers or other persons as the board may designate, direct or authorize from time to time.

13. Execution of instruments Contracts, documents or instruments in writing requiring execution by the Corporation will be signed by hand by any officer or director and all contracts, documents or instruments in writing so signed will be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution

- (a) to appoint any officer or any other person on behalf of the Corporation to sign by hand (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver either contracts, documents or instruments in writing generally or to sign either by hand or by facsimile or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver specific contracts, documents or instruments in writing, and
- (b) to delegate to any two officers of the Corporation the powers to designate, direct or authorize from time to time in writing one or more officers or other persons on the Corporation's behalf to sign either by hand or by facsimile or mechanical signature or otherwise (whether under the corporate seal of the Corporation, if any, or otherwise) and deliver contracts, documents or instruments in writing of such type and on such terms and conditions as such two officers see fit.

Contracts, documents or instruments in writing that are to be signed by hand may be signed electronically. The term "contracts, documents or instruments in writing" as used in this by-law includes without limitation deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically but without limitation transfers and assignments of shares, warrants, bonds, debentures or other securities), proxies for shares or other securities and all paper writings.

MISCELLANEOUS

14. Invalidity of any provisions of this by-law The invalidity or unenforceability of any provision of this by-law will not affect the validity or enforceability of the remaining provisions of this by-law.

15. Omissions and errors The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting its substance will not invalidate any action taken at any meeting to which the notice related or otherwise founded on the notice.

INTERPRETATION

16. Interpretation In this by-law and all other by-laws of the Corporation words importing the singular number only include the plural and vice versa; words importing any gender include all genders; words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities; “board” means the board of directors of the Corporation; “*Canada Business Corporations Act*” means *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 as from time to time amended, re-enacted or replaced; terms that are not otherwise defined in this by-law have the meanings attributed to them in the *Canada Business Corporations Act*; and “meeting of shareholders” means an annual meeting of shareholders or a special meeting of shareholders.

Schedule B – Article Amendment Resolution

RESOLVED THAT:

1. the Corporation is authorized to apply to the Director appointed under the *Canada Business Corporations Act* (the “CBCA”) for a certificate of amendment of the Corporation;
 2. the Corporation is authorized to amend its articles to permit meetings of the shareholders to be held at any place within Canada or the United States, as the directors in their discretion decide from time to time;
 3. any director or officer of the Corporation is authorized and directed to execute and deliver or cause to be executed and delivered articles of amendment; and
 4. any director or officer of the Corporation is authorized and directed to execute and deliver or cause to be executed and delivered all such documents and instruments and to take or cause to be taken all such other actions as such director or officer may determine to be necessary or desirable to carry out the intent of this special resolution, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments and the taking of such actions.
-

UR-ENERGY INC.
 1128 Clapp Lane, P.O. Box 279
 Manotick, Ontario
 K4M 1A3

PROXY, SOLICITED BY THE MANAGEMENT OF THE CORPORATION, for the Annual and Special Meeting of Shareholders to be held Friday, May 18, 2007.

The undersigned hereby appoints Jeffrey Klenda, or failing him, Robert Boaz or instead of either of them _____, as proxy, with power of substitution, to attend and vote for the undersigned at the Annual and Special Meeting of Shareholders of the Corporation to be held at The Melinda Gallery, The Suites at 1 King West, 1 King Street West, Toronto, Ontario at 10:00 o'clock in the morning (Toronto time), Friday, May 18, 2007, and at any adjournments thereof, and without limiting the general authority and power hereby given, the persons named above are specifically directed to vote as instructed.

This proxy revokes and supersedes all proxies of earlier date

THIS PROXY MUST BE SIGNED & DATED.

DATED this _____ day of _____, 2007.

 Signature of Shareholder

TO BE VALID, THIS PROXY MUST BE SIGNED AND RECEIVED BY THE CORPORATION, OR ITS AGENT, EQUITY TRANSFER & TRUST COMPANY, 200 UNIVERSITY AVENUE, SUITE 400, TORONTO, ONTARIO, M5H 4H1 BY MAIL OR BY FAX AT 416-361-0470, NOT LATER THAN 5:00 p.m. TORONTO TIME, ON THE 17th DAY OF MAY, 2007

CHECK BOX

RESOLUTIONS	VOTE FOR	VOTE AGAINST OR WITHHOLD
1. Election of the directors as nominated by Management		
2. Re-Appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and authorizing the directors to fix their remuneration		
3. By-Law Amendment – a resolution confirming the Corporation’s new By-Law No. 1		
4. Article Amendment Resolution – a special resolution amending the articles of the Corporation to permit the Corporation to hold shareholder meetings at any place in Canada and the United States, as the directors in their discretion decide from time to time		



VIA ELECTRONIC TRANSMISSION

May 1, 2007

TO ALL APPLICABLE EXCHANGES AND COMMISSIONS:

RE: UR-Energy Inc.

We are pleased to confirm that copies of the following materials were mailed to registered shareholders and to the Non-Objecting Beneficial Owners on April 25, 2007.

1. Proxy
2. Notice of Annual and Special Meeting of Shareholders and Management Information Circular
3. Consolidated Financial Statements, December 31, 2006 and 2005, along with Management's Discussion and Analysis For The Year Ended December 31, 2006
4. Proxy Return Envelope

Yours Truly,

EQUITY TRANSFER & TRUST COMPANY

Per:

A handwritten signature in black ink that reads "R. Thompson".

200 University Ave, Suite 400, Toronto, Ontario M5H 4H1
T:416.361.0152 F:416.361.0470 www.equitytransfer.com

UR-ENERGY INC.

Voting Results
(Section 11.3 of National Instrument 51-102)

This report describes the matters voted upon and the outcome of the votes at the Annual and Special Meeting of Shareholders of Ur-Energy Inc. (the "Corporation" or "Ur-Energy") held on Friday, May 18, 2007.

<u>Matter</u>	<u>Outcome of Vote</u>
<p>1. Appointment of Auditors</p> <p>PricewaterhouseCoopers LLP were reappointed as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are appointed, and the directors were authorized to fix the remuneration of the auditors.</p>	<p>Carried by a majority of votes on a show of hands of the 9,191,433 votes represented in person and by proxy voting for the appointment of the auditors. 2,050 votes were withheld.</p>
<p>2. Election of Directors</p> <p>The following nominees were elected as Directors of the Corporation to hold office until the next annual meeting or until their successors are elected or appointed:</p> <p style="padding-left: 40px;">Robert Boaz W. William Boberg James Franklin Jeffrey Klenda Paul Macdonell Gary Huber</p>	<p>Carried by a majority of votes on a show of hands of the 4,569,303 votes represented in person and by proxy voting for the election of the nominated directors. 4,624,180 votes were withheld.</p>
<p>3. By-Law Resolution</p> <p>A resolution confirming the Corporation's By-Law No. 1 was passed.</p>	<p>Carried by a majority of the votes on a ballot with 51% of the 9,191,433 votes represented in person and by proxy voting for the confirmation of by-law resolution.</p>
<p>4. Articles Resolution</p> <p>A special resolution authorizing an amendment to the articles of the Corporation to permit the Corporation to hold shareholder meetings at any place in Canada and the United States, as the directors in their discretion decide from time to</p>	<p>Carried by at least two-thirds of the votes on a show of hands with 99.9% of the 9,191,433 votes represented in person and</p>

time.

by proxy voting for the continuance resolution.

Denver, Colorado, May 29, 2007

UR-ENERGY INC.

By: (signed) "Paul G. Goss" _____

Paul G. Goss
Secretary, Ur-Energy Inc.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Ur-Energy Inc.
1128 Clapp Lane
P.O. Box 279
Manotick, Ontario K4M 1A3

2. Date of Material Change

April 17, 2007 and April 23, 2007

3. News Release

Attached as Schedule A, Schedule B and Schedule C are copies of the news releases issued by the Corporation on April 17, 2007 and April 23, 2007, respectively, at Ottawa, Ontario via CCN Matthews.

4. Summary of Material Change

On April 17, 2007, Ur-Energy Inc. announced that it had entered into an agreement with a syndicate of underwriters led by GMP Securities L.P. for the purchase, on a bought deal basis, of 12,632,000 common shares of the Corporation at a purchase price of \$4.75 per share, for aggregate gross proceeds of approximately \$60,000,000. The underwriters also have an over-allotment option, exercisable for up to 30 days from the closing date, to purchase up to an additional 1,894,800 common shares of the Corporation on the same terms as the offering.

On April 17, 2007, the Corporation announced that it had entered into a revised agreement with the syndicate of underwriters to increase the purchase on a bought deal basis to 15,158,000 common shares of the Corporation at a purchase price of \$4.75 per share, for aggregate gross proceeds of approximately \$72,000,000. The underwriters' over-allotment option is exercisable for up to 30 days from the closing date, to purchase up to 2,273,000 common shares of the Corporation.

On April 23, 2007, the Corporation announced that it had filed a preliminary short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario in respect of the previously announced proposed common share bought deal.

5. Full Description of Material Change

On April 17, 2007, Ur-Energy Inc. announced that it had entered into an agreement with a syndicate of underwriters led by GMP Securities L.P. and including Raymond James Ltd., Cormark Securities Inc. and Canaccord Capital Corporation who agreed to purchase, on a bought deal basis, 12,632,000 common shares of the Corporation at a purchase price of \$4.75 per share, for aggregate gross proceeds of approximately \$60,000,000. The underwriters will also have an over-allotment option, exercisable for a period of 30 days following the closing date, to purchase up to an additional 1,894,800 common shares of the Corporation on the same terms and conditions for market stabilization and over-allotment purposes. The Corporation intends to use

the net proceeds to advance its uranium projects, for potential acquisitions and for general working capital purposes. The common shares will be offered in all the provinces, other than Quebec, and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended. The offering is scheduled to close on or about May 10, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

On April 17, 2007, the Corporation announced that due to significant interest in the offering, the Corporation had entered into a revised agreement with the syndicate of underwriters led by GMP Securities L.P. to increase their purchase, on a bought deal basis, to 15,158,000 common shares of the Corporation at a purchase price of \$4.75 per share, for aggregate gross proceeds of approximately \$72,000,000 instead of the \$60,000,000 announced earlier in the day on April 17, 2007. All other aspects of the transaction will remain the same except that the underwriters over-allotment option will be increased to 2,273,000 common shares of the Corporation on the same terms as the offering.

On April 23, 2007, the Corporation announced that it had filed a preliminary short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to the previously announced proposed common share bought deal. A syndicate of underwriters led by GMP Securities L.P. and including Raymond James Ltd., Cormark Securities Inc. and Canaccord Capital Corporation have agreed to purchase, on a bought deal basis, 15,158,000 common shares of the Corporation for gross proceeds of approximately \$72,000,000.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

John McNeice
Chief Financial Officer
Ur-Energy Inc.
1128 Clapp Lane
P.O. Box 279
Manotick, Ontario K4M 1A3
Telephone: (613) 692-7704

DATED at Ottawa, Ontario, this 23rd day of April, 2007.

UR-ENERGY INC.

By: /s/ John McNeice
Name: John McNeice
Title: Chief Financial Officer



UR-ENERGY ANNOUNCES \$60 MILLION BOUGHT DEAL FINANCING

Not for distribution to United States newswire services or for dissemination in the United States

Ur-Energy Inc. (TSX:URE) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by GMP Securities L.P., and including Raymond James Ltd., Cormark Securities Inc., and Canaccord Adams (the "Underwriters"), which have agreed to purchase, on a bought deal basis, 12,632,000 common shares of Ur-Energy at a purchase price of \$4.75 per common share, for aggregate gross proceeds to the Company in the amount of approximately \$60 million. The Underwriters also have been granted an over-allotment option exercisable for a period of 30 days following the closing, to purchase up to 1,894,800 additional common shares at the issue price for market stabilization and over-allotment purposes. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects and for general corporate purposes including working capital.

The common shares to be issued under this offering will be offered by way of a short form prospectus in all provinces in Canada, other than Quebec, and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The offering is scheduled to close on or about May 10, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company's website is at www.ur-energy.com.

For further information, please contact:

W. William Boberg
Chief Executive Officer and President
Ur-Energy Inc.
Telephone: (720) 981-4588
Email: bill.boberg@ur-energyusa.com
Web site: www.ur-energy.com

This release contains forward-looking statements regarding capital and processing cost estimates, production rates, amounts, timetables and methods, mining methods, metallurgical recovery rates, government permitting timetables and strategic plans and are based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and other costs varying significantly from estimates, production rates, methods and amounts varying from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in development and other factors. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances.



UR-ENERGY ANNOUNCES INCREASE IN BOUGHT DEAL FINANCING TO \$72 MILLION

Not for distribution to United States newswire services or for dissemination in the United States

Ur-Energy Inc. (TSX:URE) is pleased to announce that due to significant interest in the offering, Ur-Energy has entered into a revised agreement with a syndicate of investment dealers led by GMP Securities L.P., and including Raymond James Ltd., Cormark Securities Inc., and Canaccord Adams (the "Underwriters"), who have agreed to increase their purchase, on a bought deal basis, to 15,158,000 common shares of Ur-Energy at a purchase price of \$4.75 per common share, for aggregate gross proceeds to the Company in the amount of approximately \$72 million instead of \$60 million announced earlier today. The Underwriters will continue to have an over-allotment option exercisable for a period of 30 days following the closing, to purchase up to 2,273,000 additional common shares at the issue price for market stabilization and over-allotment purposes. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects and for general corporate purposes including working capital.

The common shares to be issued under this offering will be offered by way of a short form prospectus in all provinces in Canada, other than Quebec, and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The offering is scheduled to close on or about May 10, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company's website is at www.ur-energy.com.

For further information, please contact:

W. William Boberg
Chief Executive Officer and President
Ur-Energy Inc.
Telephone: (720) 981-4588
Email: bill.boberg@ur-energyusa.com
Web site: www.ur-energy.com

This release contains forward-looking statements regarding capital and processing cost estimates, production rates, amounts, timetables and methods, mining methods, metallurgical recovery rates, government permitting timetables and strategic plans and are based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and other costs varying significantly from estimates, production rates, methods and amounts varying from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in development and other factors. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances.



**UR-ENERGY ANNOUNCES FILING OF PRELIMINARY PROSPECTUS FOR
\$72 MILLION BOUGHT DEAL FINANCING**

Not for distribution to United States newswire services or for dissemination in the United States

Ur-Energy Inc. (TSX:URE) announced today that it has filed a preliminary short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to the previously announced common share bought deal. A syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Capital Corporation, and Cormark Securities Inc. have agreed to purchase, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters have also been granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at the issue price for market stabilization and to cover over-allotments.

Closing of the offering is expected to occur on or about May 10, 2007. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects in the United States, for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and for general corporate purposes including working capital.

The common shares have not been, and will not be registered under the United States Securities Act of 1933, as amended, (the "Act") and may not be sold or offered for sale in the United States or otherwise distributed in the United States unless they are registered under the Act or an exemption therefrom is available.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of Ur-Energy trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company's website is at www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Dani Wright, Manager, Investor/Public Relations
1-720-981-4588, ext. 242
1-866-981-4588
dani.wright@ur-energyusa.com

Bill Boberg, CEO and President
1-720-981-4588, ext. 223
1-866-981-4588
bill.boberg@ur-energyusa.com

This release contains forward-looking statements regarding capital and processing cost estimates, production rates, amounts, timetables and methods, mining methods, metallurgical recovery rates, government permitting timetables and strategic plans and are based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and other costs varying significantly from estimates, production rates, methods and amounts varying from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in development and other factors. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Ur-Energy Inc.
1128 Clapp Lane
P.O. Box 270
Manotick, Ontario K4M 1A3

2. Date of Material Change

May 10, 2007

3. News Release

Attached as Schedule A is a copy of the news release issued by the Corporation on May 10, 2007 at Ottawa, Ontario via CCN Matthews.

4. Summary of Material Change

On May 10, 2007, Ur-Energy Inc. announced that it had completed its previously announced common share bought deal financing. A syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Capital Corporation and Cormark Securities Inc. purchased, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500 and also exercised in full an over-allotment option to purchase an additional 2,273,000 common shares at the same price of additional gross proceeds of \$10,796,750.

5. Full Description of Material Change

On May 10, 2007, Ur-Energy Inc. announced that it had completed its previously announced common share bought deal financing. A syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Capital Corporation and Cormark Securities Inc. purchased, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500 and also exercised in full an over-allotment option to purchase an additional 2,273,000 common shares at the same price of additional gross proceeds of \$10,796,750.

Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of Ur-Energy's uranium projects in the United States, for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and for general corporate purposes including working capital.

The common shares have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "Act") and may not be sold or offered for sale in the United States or otherwise distributed in the United States unless they are registered under the Act or an exemption therefrom is available.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

John McNeice
Chief Financial Officer
Ur-Energy Inc.
1128 Clapp Lane
P.O. Box 270
Manotick, Ontario K4M 1A3
Telephone: (613) 692-7704

DATED at Ottawa, Ontario, this 14th day of May, 2007.

UR-ENERGY INC.

By: /s/ John McNeice
Name: John McNeice Title:
Chief Financial Officer



**UR-ENERGY ANNOUNCES COMPLETION OF \$82,797,250
BOUGHT DEAL FINANCING**

***NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION
IN THE UNITED STATES***

Ur-Energy Inc. (TSX:URE) announced today that it has completed its previously announced common share bought deal. A syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Capital Corporation, and Cormark Securities Inc. purchased, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500, and also exercised in full an over-allotment option to purchase an additional 2,273,000 common shares at the same price for additional gross proceeds of \$10,796,750.

Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects in the United States, for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and for general corporate purposes including working capital.

The common shares have not been, and will not be registered under the United States Securities Act of 1933, as amended, (the "Act") and may not be sold or offered for sale in the United States or otherwise distributed in the United States unless they are registered under the Act or an exemption therefrom is available.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of Ur-Energy trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company's website is at www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Dani Wright, Manager, Investor/Public Relations
1-720-981-4588, ext. 242
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Bill Boberg, CEO and President
1-720-981-4588, ext. 223
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bill.boberg@ur-energyusa.com

This release contains forward-looking statements regarding capital and processing cost estimates, production rates, amounts, timetables and methods, mining methods, metallurgical recovery rates, government permitting timetables and strategic plans and are based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and other costs varying significantly from estimates, production rates, methods and amounts varying from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in development and other factors. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances.

**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Ur-Energy Inc.
1128 Clapp Lane P.O. Box 270
Manotick, Ontario K4M 1A3

2. Date of Material Change

May 18, 2007

3. News Release

Attached as Schedule A is a copy of the news release issued by the Corporation on May 22, 2007 at Denver, Colorado via CCN Matthews.

4. Summary of Material Change

Ur-Energy announced that Roger L. Smith has joined the Corporation as Ur-Energy's new Chief Financial Officer and Paul G. Goss has joined the Corporation as General Counsel and Corporate Secretary. Both individuals will be located in the Littleton, Colorado USA office.

Mr. McNeice, CA, CPA, served as Ur-Energy's Chief Financial Officer since inception in 2004 and subsequently became Corporate Secretary. Mr. McNeice will remain as a consultant to Ur-Energy to assist in an effect transition to Mr. Smith and Mr. Goss and on a going forward basis to assist on certain accounting matters for the Corporation.

5. Full Description of Material Change

Ur-Energy announced that Roger L. Smith has joined Ur-Energy as the Company's new Chief Financial Officer, and Paul G. Goss has joined the Company as General Counsel and Corporate Secretary. Both individuals will be located in the Littleton, Colorado USA office.

John McNeice, CA, CPA served as Ur-Energy's Chief Financial Officer since inception in 2004 and subsequently also became Corporate Secretary. He has helped with the evolution of the Company from its early stages through the Company's initial public offering to its status today as an emerging junior mining producer. Mr. McNeice will remain as a consultant to Ur-Energy to assist in an effective transition to Mr. Smith and Mr. Goss, and on a going forward basis to assist on certain accounting matters for the Company.

Roger Smith, CPA, MBA has 25 years of mining and manufacturing experience including finance, accounting, IT, ERP and system implementations, mergers and acquisitions, audit and tax, and public and private reporting in international environments. He comes to Ur-Energy after having served as Director of Financial Planning & Analysis for Luzenac America, Inc., a subsidiary of Rio Tinto Minerals. Mr. Smith has also held such positions as Vice President Finance, Corporate Controller, Accounting Manager and Internal Auditor with other mining companies such as Luzenac America, Inc., Vista Gold Corporation, Westmont Gold Inc., and

Homestake Mining Company. He also has a Master of Business Administration and Bachelor of Arts in Accounting from Western State College, Gunnison, Colorado.

Paul G. Goss, Esq. has over 25 years of diversified experience in complex business, real estate and natural resources transactions, including more than five years with a national- practice firm. Mr. Goss has represented clients in commercial litigation, arbitration and mediation, involving real estate, securities, environmental law, corporate law, oil and gas, mining, and class actions in both State and Federal Courts. He obtained his Juris Doctor and graduated *cum laude* from the University of Denver College of Law as well as a Masters of Business Administration from Indiana State University.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Paul G. Goss
General Counsel
Ur-Energy Inc.
10758 W. Centennial Road, Suite 200
Littleton, Colorado 80127
Telephone: (720) 981-4588

DATED at Denver, Colorado, this 29th day of May, 2007.

UR-ENERGY INC.

By: (signed) "Paul G. Goss"
Name: Paul G. Goss
Title: General Counsel



Ur-Energy Announces New Chief Financial Officer, General Counsel and Corporate Secretary

Denver, Colorado (CCNMatthews – May 22, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce that Roger L. Smith has joined Ur-Energy as the Company’s new Chief Financial Officer, and Paul G. Goss has joined the Company as General Counsel and Corporate Secretary. Both individuals will be located in the Littleton, Colorado USA office.

John McNeice, CA, CPA served as Ur-Energy’s Chief Financial Officer since inception in 2004 and subsequently also became Corporate Secretary. He has helped with the evolution of the Company from its early stages through the Company’s initial public offering to its status today as an emerging junior mining producer. “We appreciate John McNeice’s guidance and hard work in advising Ur-Energy to date,” stated Bill Boberg, President and Chief Executive Officer, “John has been an integral part of Ur-Energy’s financial integrity and success. Management and the Board of Directors of the Company extend their sincere gratitude to John.”

Mr. McNeice will remain as a consultant to Ur-Energy to assist in an effective transition to Mr. Smith and Mr. Goss, and on a going forward basis to assist on certain accounting matters for the Company.

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

Paul G. Goss, Esq. has over 25 years of diversified experience in complex business, real estate and natural resources transactions, including more than five years with a national-practice firm. Mr. Goss has represented clients in commercial litigation, arbitration and mediation, involving real estate, securities, environmental law, corporate law, oil and gas, mining, and class actions in both State and Federal Courts. He obtained his Juris Doctor and graduated *cum laude* from the University of Denver College of Law as well as a Masters of Business Administration from Indiana State University.

“We are very happy to have Roger and Paul join the company,” stated Mr. Boberg. “Their background and experience complement our strong technical team.”

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production by 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Dani Wright, Manager, Investor/Public Relations Bill Boberg, CEO and President

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**FORM 51-102F3
MATERIAL CHANGE REPORT**

1. Name and Address of Company

Ur-Energy Inc.
1128 Clapp Lane

P. O. Box 270

Manotick, Ontario K4M 1A3

2. Date of Material Change

July 25, 2007

3. News Release

Attached as Schedule A is a copy of the news release issued by the Corporation on July 25, 2007 at Denver, Colorado via Marketwire.

4. Summary of Material Change

The Board of Directors of Ur-Energy appoints Thomas Parker as a director of Ur-Energy and accepts the resignation of Gary Huber as a director of Ur-Energy.

5. Full Description of Material Change

Ur-Energy and its Board of Directors are pleased to announce the appointment of Thomas Parker as a director of Ur-Energy Inc.

A mining engineer graduate from South Dakota School of Mines, with a Master's Degree in mineral engineering management from Penn State, Mr. Parker has worked extensively in senior management positions in the mining industry for the past forty years. Tom Parker is President and Chief Executive Officer of Gold Crest Mines Inc., a Spokane based gold exploration company. Gold Crest has properties in southwest Alaska in the Kuskokwim Mineral Belt and in the Yellow Pine District of Idaho. Prior to Gold Crest, Mr. Parker was the President and Chief Executive Officer of High Plains Uranium, Inc., a junior uranium mining company with over 120,000 acres (48,562 hectares) in claims and lease agreements that was acquired by Energy Metals Corporation in January 2007. Mr. Parker spent 10 years as Executive Vice President of Anderson and Schwab, a New York based management consulting firm where his clients included UBS Warburg, Norilsk Nickel, Southern Peru Copper Company, Arch Coal Company and Goldman Sachs. Prior to Anderson and Schwab, he was Chief Executive Officer of Costain Minerals Company, a \$425 million company with 22 operating coal mines, the Brewer gold mine and Montana Talc. Earlier in his career, Mr. Parker worked 10 years for ARCO where he was President of Beaver Creek Coal Mines, General Manager of Nevada Moly, President of Thunder Basin Coal Company and VP for Engineering, Exploration and Business Development. He was also General Manager of the Jacobs Ranch mine for Kerr McGee Coal Company and served as Project Manager for Conoco for the Imouraren uranium deposit in Niger. Opened, staffed and

managed Conoco's Paris office which was established to coordinate Conoco's activities with those of the two other partners - the French Atomic Energy Commission (COGEMA) and the Niger State Mining Company (ONAREM). He has worked in the potash, limestone and talc industries and has extensive experience in Niger, France and Venezuela.

The appointment of Thomas Parker comes at the same time as the acceptance of Gary Huber's resignation. The Board sincerely thanks Gary Huber for his contributions to the Board and wishes him well in his future endeavors.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Paul G. Goss
General Counsel
Ur-Energy Inc.

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

DATED at Denver, Colorado, this 27th day of July, 2007.

UR-ENERGY INC.

By: /s/ Paul G. Goss
Name: Paul G. Goss
Title: General Counsel



Ur-Energy's Board of Directors Change

Denver, Colorado (Marketwire – July 26, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) and its Board of Directors are pleased to announce the appointment of Thomas Parker as a director of Ur-Energy Inc. “We are very happy to welcome Tom Parker to Ur-Energy’s Board of Directors. His extensive operating and management experience with active mining operations will be valuable to the company as we move from development to active mining operations. He will add great depth to our existing board,” said Ur-Energy’s President and Chief Executive Officer Bill Boberg.

A mining engineer graduate from South Dakota School of Mines, with a Master’s Degree in mineral engineering management from Penn State, Mr. Parker has worked extensively in senior management positions in the mining industry for the past forty years. Tom Parker is President and Chief Executive Officer of Gold Crest Mines Inc., a Spokane based gold exploration company. Gold Crest has properties in southwest Alaska in the Kuskokwim Mineral Belt and in the Yellow Pine District of Idaho. Prior to Gold Crest, Mr. Parker was the President and Chief Executive Officer of High Plains Uranium, Inc., a junior uranium mining company with over 120,000 acres (48,562 hectares) in claims and lease agreements that was acquired by Energy Metals Corporation in January 2007. Mr. Parker spent 10 years as Executive Vice President of Anderson and Schwab, a New York based management consulting firm where his clients included UBS Warburg, Norilsk Nickel, Southern Peru Copper Company, Arch Coal Company and Goldman Sachs. Prior to Anderson and Schwab, he was Chief Executive Officer of Costain Minerals Company, a \$425 million company with 22 operating coal mines, the Brewer gold mine and Montana Talc. Earlier in his career, Mr. Parker worked 10 years for ARCO where he was President of Beaver Creek Coal Mines, General Manager of Nevada Moly, President of Thunder Basin Coal Company and VP for Engineering, Exploration and Business Development. He was also General Manager of the Jacobs Ranch mine for Kerr McGee Coal Company and served as Project Manager for Conoco for the Imouraren uranium deposit in Niger. Opened, staffed and managed Conoco’s Paris office which was established to coordinate Conoco’s activities with those of the two other partners - the French Atomic Energy Commission (COGEMA) and the Niger State Mining Company (ONAREM). He has worked in the potash, limestone and talc industries and has extensive experience in Niger, France and Venezuela.

The appointment of Thomas Parker comes at the same time as the acceptance of Gary Huber’s resignation. The Board sincerely thanks Gary Huber for his contributions to the Board and wishes him well in his future endeavors.

Ur-Energy’s Board Chairman and Director Jeff Klenda stated, “We are ecstatic to have Tom Parker join our board. With Tom’s proven experience and leadership within the mining industry, especially the uranium sector, Ur-Energy and its shareholders are extremely lucky to have someone of this caliber.”

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring its Lost Creek Wyoming uranium deposit into production in 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at www.ur-energy.com.

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Ur-Energy Inc. Appoints New Director

Denver, Colorado (CCNMatthews – January 4, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) announces that Gary Huber has been appointed as a Director of the Company. “The Company is very pleased to have Gary Huber join the Board. Gary’s broad range of experience will be a significant asset to the Company both as an independent Director on the Board and a member of the Audit Committee” commented Jeffrey Klenda, Chairman of Ur-Energy.

Gary Huber is a mining company executive with over 30 years of diversified natural resource experience. Gary was a founder of Canyon Resources Corporation, currently a gold company which was initially formed for the purpose of uranium exploration in the western United States. During the period from 1979 to 2006 he held various positions with Canyon including: Director, Chief Financial Officer, and Vice President-Finance. He was also President and CEO of Canyon’s industrial minerals subsidiary which operated and sold functional fillers and specialty products from two processing facilities and three mines. Prior responsibilities in the 1970’s have included uranium property acquisition, exploration and production activities for Energy Reserves Group in the central Colorado Plateau area. Presently, Gary is the Director of IRC Capital Group, an investment arm of International Royalty Corporation. Gary holds a Ph.D. from the Colorado School of Mines.

Ur-Energy is a dynamic junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. The Company has its registered corporate office in Ottawa, Canada and its headquarters in Littleton, Colorado. The website is at www.ur-energy.com.

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Ur-Energy Announces Quarterly Update Webcast for January 16, 2007

Denver, Colorado (CCNMatthews–January 11, 2007) **Ur-Energy Inc. (TSX:URE)** (Ur-Energy) will present a Webcast at 11:00AM Eastern Time on Tuesday morning, January 16, 2006 to review the quarterly update that will be released earlier that morning. Bill Boberg, President and CEO of Ur-Energy stated: “Our quarterly updates have been designed to demonstrate our timely progression through the extensive process that is required to take our projects to production. We feel that the addition of the Webcast to our quarterly updates will enable our investors to develop a better understanding of the company and the means by which we are moving their company forward.”

Instructions for joining the Webcast are as follows:

Date: Tuesday, January 16, 2007
Time: 11:00 AM Eastern Time
Dial In Numbers: Toll Free - 1-866-400-2240
Toronto - - 416-849-2696

Registration for Webcast:

To register to participate in the Webcast use the following link:

<http://events.onlinebroadcasting.com/urenergy/011607/index.php>

Ur-Energy is a dynamic junior mining company engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, development and production permitting of uranium projects in the United States. Ur-Energy is aggressively completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production starting as early as late 2008. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has its registered corporate office in Ottawa, Canada and its headquarters office in Littleton, Colorado. The Company’s website is at www.ur-energy.com.

The Qualified Person for Ur-Energy Inc., as defined by National Instrument 43-101, is W. William Boberg, President and CEO.

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Ur-Energy Expands Uranium Search Outside Wyoming

Denver, Colorado (CCNMatthews–January 15, 2007) **Ur-Energy Inc. (TSX:URE)** (Ur-Energy) announced that its subsidiary NFU Wyoming, LLC was the successful bidder on 79 State of South Dakota Mineral Leases. These 79 Mineral Leases contain approximately 46,363 acres in Harding County, Northwest South Dakota. A detailed geologic evaluation of the project area is underway and a drilling program is tentatively planned for later 2007. Exploration drilling for uranium in this region has been very limited. An evaluation of Ur-Energy's extensive historic database suggests potential for uranium discoveries in the region.

Bill Boberg, President and CEO stated: *"This previously untested project area has characteristics that suggest the potential for uranium deposit discovery of the Wyoming sandstone deposit type. This property acquisition is a conceptual exploration play based on uranium drill data in adjacent Montana and requires further geologic evaluation and drilling to determine its geological potential. If our drilling program demonstrates uranium potential in our target sands this will be an exciting project and demonstrates that the extensive data held by the Company will continue to lead us to develop new projects both within, and outside of Wyoming."*

Ur-Energy is a dynamic junior mining company aggressively completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production starting as early as late 2008 early 2009. The company is also heavily engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, and development of uranium projects in the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has its registered corporate office in Ottawa, Canada and its headquarters office in Littleton, Colorado. The Company's website is at www.ur-energy.com.

The Qualified Person for Ur-Energy Inc., as defined by National Instrument 43-101, is W. William Boberg, President and CEO.

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Ur-Energy Uranium Mine Permitting on Schedule - Webcast Today

Denver, Colorado (CCNMatthews – January 16, 2007) **Ur-Energy Inc. (TSX:URE)** (Ur-Energy) announced today that it continues to be on schedule with its mine permitting program for both the Lost Creek and Lost Soldier uranium deposits in the Great Divide Basin in Wyoming.

Ur-Energy will host a Webcast at 11:00 AM Eastern Time, today as announced last week to update interested shareholders on the fast-tracking of its Wyoming uranium projects. Instructions for joining the Webcast are as follows:

Date: Tuesday, January 16, 2006

Time: 11:00 AM Eastern Time

Dial In Numbers: Toll Free - 1-866-400-2240

Toronto - - 416-849-2696

Registration for Webcast:

To register to participate in the Webcast use the following link:

<http://events.onlinebroadcasting.com/urenergy/011607/index.php>

Harold Backer, VP of Operations, reports that *"Pump testing has now been completed on both projects to gather the hydrologic engineering data to allow us to move forward with our engineering studies."* The objective of the pump tests was to define the transmissivity and hydraulic conductivity of the uranium bearing sandstones in order to evaluate the amenability for In Situ Recovery (ISR) mining.

Hydro-Engineering of Casper, Wyoming has submitted a preliminary report on the pump testing of the "HJ" sandstone units which host the majority of the uranium mineralization at Lost Creek and has recommended that Ur-Energy use a flow rate of *"50 gallons per minute"* as the practical well recovery design rate for the Lost Creek well field to account for average recovery conditions. Bill Boberg, President and CEO, states that *"to date, along with our in-house geologic work, every new test of the Lost Creek deposit in our pre-feasibility mining studies has been favorable."* At Lost Creek the uranium mineralization extends for 2.9 miles (4.67 km) and is contained in four sandstone units, three of which are in the "HJ" stratigraphic interval. The pump testing was completed using seventeen dual purpose monitoring and pump test wells which were completed within the trend during 2006. NI 43-101 Compliant Resources (Rostle Postle Associates Inc., June 15, 2006) for Lost Creek are: 9.8million pounds of U₃O₈ at 0.058%as indicated resources plus 1. 1million pounds of U₃O₈ at 0.078%as inferred resources. Bottle roll leach tests of drill core at Energy Laboratories, Inc. indicated leach efficiencies of 52% to 94% with tails analysis giving an average U₃O₈ extraction of 82.8% . (Ur-Energy, June 13, 2006) Additional exploration drilling is planned in 2007 to expand the resources. Hydro-Engineering will be continuing the quarterly collection of samples from the monitor wells at Lost Creek for water quality.

Pump testing of the Lost Soldier deposit was completed by Leppart Associates of Golden, Colorado during December 2006 and the report of testing is expect later during

the current quarter. Leppart Associates will be continuing the quarterly collection of samples from the monitor wells at Lost Soldier for water quality.

During the last quarter of 2006, AATA International, Inc. completed extensive baseline data collection surveys within the 9.1 square mile (2363 hectare) area of both projects. This work consisted of specific surveys and studies of archeology, meteorology, air quality, surface water, vegetation, wildlife (including threatened and endangered species) wetlands, soils, surface radiology and groundwater. Currently AATA, Ur-Energy's prime permitting contractor, is finalizing reports on these studies while continuing the monitoring programs for meteorology, air quality and surface water quality.

Lyntek Incorporated, an experienced planning and engineering consulting company has completed a study for potential plant sites along with utilities and access roads. During the last quarter the Company decided that other areas required more attention and the toll processing arrangement and contract for engineering feasibility were postponed for completion during Q1 2007. Bill Boberg, President and CEO, states *"Even though we did not complete these contracts during last quarter, we made significant progress and fully expect them to be completed during the current quarter."*

Agency liaison with the U.S. Nuclear Regulatory Commission (NRC) has been ongoing on both projects during the past quarter. Meetings with the NRC, the Wyoming Department of Environmental Quality (WDEQ) and the U.S. Bureau of Land Management are planned within the next month. The target for successful permitting of the project is by the end of 2008, and all components are currently on schedule.

Bill Boberg, President and CEO, states *"All work on both projects continues to progress on schedule and within budget. Our dedicated technical team and contractors continue to do outstanding and timely work to assure that our production goal, starting in late 2008, will be reached. The Company intends to ramp up to full production by late 2009."*

More than US\$2.5 million was spent during 2006 on contract drilling, pump testing, water quality testing and contract environmental baseline studies on the Lost Creek and Lost Soldier projects. During 2007 the Company has budgeted US\$6 million for engineering feasibility studies, permitting and the installation of additional monitoring wells and hydrology tests. Specific mine units are being designed and the monitor wells for the individual permits for each mine unit will be installed during 2007. An additional amount of approximately US\$1.5 million has been budgeted specifically for the advancement of Ur-Energy's US development and advanced and frontier exploration projects.

Ur-Energy is a dynamic junior mining company aggressively completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production starting as early as late 2008 early 2009. The company is also heavily engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, and development of uranium projects in the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has its registered corporate office in Ottawa, Canada and its headquarters office in Littleton, Colorado. The company's website is at www.ur-energy.com.

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Ur-Energy Inc. Appoints Vice President of Mining

Denver, Colorado (CCNMatthews – February 23, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) is pleased to announce the appointment of Wayne Heili as Vice President of Mining. Mr. Heili will head up the Casper, Wyoming production office and engineering team. Mr. Heili will be specifically responsible for the development of Ur-Energy’s Lost Creek and Lost Soldier uranium deposits.

Wayne Heili has a career spanning more than 19 years providing 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 (ISR) projects from January 1998 until February 2004. Since then, Mr. Heili acted as a consultant for such companies as High Plains Uranium, Inc., Energy Metals Corporation and Behre Dolbear as well as owned and managed an independent franchise location of a major water treatment company. His experience includes conventional and ISR uranium processing facility operations. Mr. Heili received a Bachelor of Science degree in Metallurgical Engineering from Michigan Technological University, with a mineral processing emphasis.

Bill Boberg, President and CEO states, “The Company is extremely pleased that Mr. Heili has accepted our invitation to join Ur-Energy’s highly experienced uranium team. We have the utmost confidence in his abilities to advance our Lost Creek and Lost Soldier operations to production.” Boberg adds, “With the strong team we have put into place, we are looking forward to the future successes of Ur-Energy, including becoming the next uranium producer in Wyoming.”

Ur-Energy is a dynamic junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. The Company has its registered corporate office in Ottawa, Canada and its headquarters in Littleton, Colorado. The website is at www.ur-energy.com.

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**Ur-Energy's CEO To Co-Chair and Present
For The Uranium Symposium**

Denver, Colorado (CCNMatthews – February 26, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) is pleased to announce that Bill Boberg, CEO and President, will be co-chairing at the 2007 SME Annual Meeting & Exhibit and CMA's 109th National Western Mining Conference held in Denver, Colorado, February 25 – 28, 2007.

Mr. Boberg will co-chair the following portion of the Uranium Symposium:

Uranium I – The Melting Pot 2:00 P.M. MDT, Monday, February 26th, to be followed by a Panel Discussion at 4:25 P.M. MDT.

Mr. Boberg will give a presentation on the following at the Uranium II – Back with a Vengeance segment:

“Comparison of US Uranium Resources to Global Resources,” on Tuesday, February 27th

For more information about this conference, visit www.smenet.org.

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Ur-Energy Inc. Shows at PDAC 2007

Denver, Colorado (CCNMatthews – February 28, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) will take part in the Investors Exchange – Mining Investment Show at the Prospectors & Developers Association Conference (“PDAC”) in Toronto from March 4 -7, 2007 at the Metro Toronto Convention Centre. Ur-Energy’s booth #2720 is located in Exhibit Hall C, Room 206, Street Level. Hours are Sunday through Tuesday 10 a.m. – 5:30 p.m. and Wednesday 9 a.m. – 12 noon.



For more information about this conference, visit www.pdac.ca, or you may pre-register online at www.mininginvestmentshow.ca.

Ur-Energy is a dynamic junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. The Company has its registered corporate office in Ottawa, Canada and its headquarters in Littleton, Colorado. The website is at www.ur-energy.com.

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Ur-Energy Initiates Aggressive 2007 Drilling Program at Lost Creek

Denver, Colorado (CCNMatthews – April 11, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy”) announced today that it has started a three rig drilling program as part of a multi-million dollar mining feasibility study at its Lost Creek in-situ recovery (ISR) uranium project. The Lost Creek uranium deposit is located four miles north of Rio Tinto’s Sweetwater mill in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometres) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 metres) and 700 feet (213 metres) in depth. NI 43-101 Compliant Resources (Roscoe Postle Associates Inc., June 15, 2006) for Lost Creek are: 9.8 million pounds of U_3O_8 at 0.058% as an indicated resource and 1.1 million pounds of U_3O_8 at 0.076% as an inferred resource. In 2006, 17 cased monitoring and pump test wells were completed on the property.

The purpose of the 2007 Phase I drilling program is to install monitor and pump test wells in order to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies; for the Wyoming Department of Environmental (“WDEQ”) Permit to Mine application; for the US Nuclear Regulatory (“NRC”) Source Material License application; and, for the WDEQ Mine Unit #1 Permit application. The internal monitoring wells will be left in place as part of the development of Lost Creek Mine Unit #1. A Phase II drilling program is planned to install the monitoring ring wells around the first mine unit.

AATA International Inc. is currently preparing the permit applications with the first scheduled to be submitted starting in the third quarter of 2007. Petrotek Engineering Corp. is preparing plans for deep disposal well site(s), permitting the disposal wells and coordinating with Ur-Energy’s engineers for hydrogeologic testing and production wellfield layouts.

Proposed processing plant locations were sited in an engineering study completed by Lyntek Inc. in November 2006. As part of the Phase I drilling program, exploration drilling will be carried out over the primary and alternate processing plant sites to verify that the new plant is not built over mineralization. Ur-Energy is preparing engineering plans and finishing the collection of environmental baseline data for the option of permitting and building either an initial satellite plant or an expanded full ISR processing plant at the plant location. Based on the present economic conditions of the uranium industry, Ur-Energy is presently evaluating the risks and rewards of permitting and building a centralized full processing plant to coincide with the startup of production at Lost Creek. Such a plant could also facilitate processing uranium loaded resin from other Ur-Energy properties in the basin.

The exploration drill rigs at Lost Creek will also be taking core samples from selected mineralized horizons for column leach tests to develop the lixiviant chemistry for oxidizing and extracting uranium. Analytical results of bottle roll leach tests previously carried out on core samples at Energy Laboratories, Inc. in Casper, Wyoming indicated leach efficiencies in the range of 52 to 94% (Ur-Energy press release June 13, 2006).

At Ur-Energy’s Lost Soldier deposit, located approximately 14 miles (22.5 kilometres) to the northeast of the Lost Creek property, engineering feasibility studies are underway and geologic

and hydrologic data from the 2006 drilling program of 17 pump test and monitoring wells is being evaluated. The property already has over 3700 historic drill holes defining 14 mineralized sandstone units. NI 43-101 Compliant Resources (Roscoe Postle Associates Inc., July 10, 2006) for Lost Soldier are: 5 million pounds of U₃O₈ at 0.064% as a measured resource, 7.2 million pounds of U₃O₈ at 0.065% as an indicated resource and 1.8 million pounds of U₃O₈ at 0.055% as an inferred resource. Pincock, Allen and Holt have been contracted to carry out selected engineering studies on the property and AATA International is completing environmental baseline studies. Engineering feasibility studies and applications for permits to mine for Lost Soldier will be assembled and submitted following the completion and submittal of Lost Creek's mine applications.

Within the Great Divide Basin, Ur-Energy's exploration staff is developing exploration drilling programs for 2007 which cover an area of over 17 square miles (44 square kilometers) at its Radon Springs, North Hadsell and Eagles Nest properties in order to generate additional resources for Ur-Energy's future production pipeline.

W. William Boberg, P. Geo., CEO and President for Ur-Energy, Inc. and a qualified person as defined by National Instrument 43-101, has reviewed this news release and is responsible for its content.

Ur-Energy is a dynamic junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production by 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company's website is at www.ur-energy.com.

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UR-ENERGY ANNOUNCES INCREASE IN BOUGHT DEAL FINANCING TO \$72 MILLION

Not for distribution to United States newswire services or for dissemination in the United States

Ur-Energy Inc. (TSX:URE) is pleased to announce that due to significant interest in the offering, Ur-Energy has entered into a revised agreement with a syndicate of investment dealers led by GMP Securities L.P., and including Raymond James Ltd., Cormark Securities Inc., and Canaccord Adams (the "Underwriters"), who have agreed to increase their purchase, on a bought deal basis, to 15,158,000 common shares of Ur-Energy at a purchase price of \$4.75 per common share, for aggregate gross proceeds to the Company in the amount of approximately \$72 million instead of \$60 million announced earlier today. The Underwriters will continue to have an over-allotment option exercisable for a period of 30 days following the closing, to purchase up to 2,273,000 additional common shares at the issue price for market stabilization and over-allotment purposes. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects and for general corporate purposes including working capital.

The common shares to be issued under this offering will be offered by way of a short form prospectus in all provinces in Canada, other than Quebec, and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The offering is scheduled to close on or about May 10, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company's website is at www.ur-energy.com.

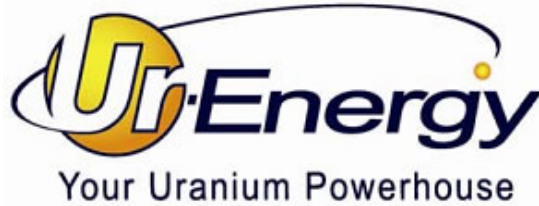
For further information, please contact:

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Press Release



UR-ENERGY ANNOUNCES \$60 MILLION BOUGHT DEAL FINANCING

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DENVER, COLORADO, April 17, 2007 - Ur-Energy Inc. (TSX:URE) is pleased to announce that it has entered into an agreement with a syndicate of investment dealers led by GMP Securities L.P., and including Raymond James Ltd., Cormark Securities Inc., and Canaccord Adams (the "Underwriters"), which have agreed to purchase, on a bought deal basis, 12,632,000 common shares of Ur-Energy at a purchase price of \$4.75 per common share, for aggregate gross proceeds to the Company in the amount of approximately \$60 million. The Underwriters also have been granted an over-allotment option exercisable for a period of 30 days following the closing, to purchase up to 1,894,800 additional common shares at the issue price for market stabilization and over-allotment purposes. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects and for general corporate purposes including working capital.

The common shares to be issued under this offering will be offered by way of a short form prospectus in all provinces in Canada, other than Quebec, and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended.

The offering is scheduled to close on or about May 10, 2007 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

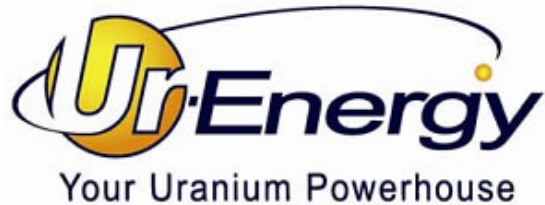
Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company's website is at www.ur-energy.com.

For further information, please contact:

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UR-ENERGY ANNOUNCES FILING OF PRELIMINARY PROSPECTUS FOR \$72 MILLION BOUGHT DEAL FINANCING

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Ur-Energy Inc. (TSX:URE) announced today that it has filed a preliminary short form prospectus with the securities commissions in British Columbia, Alberta, Manitoba and Ontario relating to the previously announced common share bought deal. A syndicate of underwriters led by GMP Securities L.P., and including Raymond James Ltd., Canaccord Capital Corporation, and Cormark Securities Inc. have agreed to purchase, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500. The underwriters have also been granted an over-allotment option, exercisable for 30 days following the closing of the offering to purchase an additional 2,273,000 common shares at the issue price for market stabilization and to cover over-allotments.

Closing of the offering is expected to occur on or about May 10, 2007. Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects in the United States, for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and for general corporate purposes including working capital.

The common shares have not been, and will not be registered under the United States Securities Act of 1933, as amended, (the "Act") and may not be sold or offered for sale in the United States or otherwise distributed in the United States unless they are registered under the Act or an exemption therefrom is available.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of Ur-Energy trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company's website is at www.ur-energy.com.

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Ur-Energy Delayed in Exploration at its Screech Lake Property

Denver, Colorado (CCNMatthews – May 9, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) reports that the Mackenzie Valley Environmental Impact Review Board (the “Review Board”) has recommended to the Minister of Indian and Northern Affairs Canada that the Company’s application to conduct an exploratory drilling program at the Company’s Screech Lake property be rejected pursuant to section 128(1)(d) of the Mackenzie Valley Resource Management Act. This section of the Act sets out that the Review Board shall, *“Where the development is likely in its opinion to cause an adverse impact on the environment so significant that it cannot be justified, recommend that the proposal be rejected without an environmental impact review”*.

Ur-Energy is disappointed by the Review Board’s recommendation and is assessing its options for pursuing its proposed exploration program at the Screech Lake property. The Company also plans to discuss the Board’s recommendation with the Minister of Indian and Northern Affairs Canada. The Company believes that it has proposed an exploration program which maintains the highest possible environmental standards. In the Company’s application for a land use permit, extensive mitigation measures were proposed to ensure that the drilling program would have minimal short-term environmental impact and no long-term effect.

Bill Boberg, President and CEO, states *“We are disappointed by the Review Board’s recommendation and will continue to pursue any and all approaches that will allow us to advance exploration on the project as soon as possible. Screech Lake is an early stage exploration project and this delay in our exploration at Screech Lake does not affect our exploration and development activities in other areas. In Wyoming, we continue on schedule to move our Lost Creek and Lost Soldier projects toward production”*.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at www.ur-energy.com.

The Qualified Person for Ur-Energy Inc., as defined by National Instrument 43-101, is W. William Boberg, President and CEO.

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UR-ENERGY ANNOUNCES COMPLETION OF \$82,797,250 BOUGHT DEAL FINANCING

Ur-Energy Inc. (TSX:URE) announced today that it has completed its previously announced common share bought deal. A syndicate of underwriters purchased, on a bought deal basis, 15,158,000 common shares of Ur-Energy at a price of \$4.75 per share for gross proceeds of \$72,000,500, and also exercised in full an over-allotment option to purchase an additional 2,273,000 common shares at the same price for additional gross proceeds of \$10,796,750.

Ur-Energy plans to use the net proceeds of the offering to finance the development and exploration of the Company's uranium projects in the United States, for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and for general corporate purposes including working capital.

The common shares have not been, and will not be registered under the United States Securities Act of 1933, as amended, (the "Act") and may not be sold or offered for sale in the United States or otherwise distributed in the United States unless they are registered under the Act or an exemption therefrom is available.

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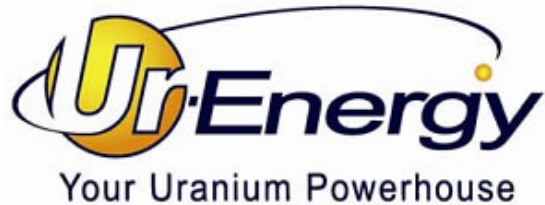
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Ur-Energy Announces New Chief Financial Officer, General Counsel and Corporate Secretary

Denver, Colorado (CCNMatthews – May 22, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce that Roger L. Smith has joined Ur-Energy as the Company’s new Chief Financial Officer, and Paul G. Goss has joined the Company as General Counsel and Corporate Secretary. Both individuals will be located in the Littleton, Colorado USA office.

John McNeice, CA, CPA served as Ur-Energy’s Chief Financial Officer since inception in 2004 and subsequently also became Corporate Secretary. He has helped with the evolution of the Company from its early stages through the Company’s initial public offering to its status today as an emerging junior mining producer. “We appreciate John McNeice’s guidance and hard work in advising Ur-Energy to date,” stated Bill Boberg, President and Chief Executive Officer, “John has been an integral part of Ur-Energy’s financial integrity and success. Management and the Board of Directors of the Company extend their sincere gratitude to John.”

Mr. McNeice will remain as a consultant to Ur-Energy to assist in an effective transition to Mr. Smith and Mr. Goss, and on a going forward basis to assist on certain accounting matters for the Company.

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

Paul G. Goss, Esq. has over 25 years of diversified experience in complex business, real estate and natural resources transactions, including more than five years with a national-practice firm. Mr. Goss has represented clients in commercial litigation, arbitration and mediation, involving real estate, securities, environmental law, corporate law, oil and gas, mining, and class actions in both State and Federal Courts. He obtained his Juris Doctor and graduated *cum laude* from the University of Denver College of Law as well as a Masters of Business Administration from Indiana State University.

“We are very happy to have Roger and Paul join the company,” stated Mr. Boberg. “Their background and experience complement our strong technical team.”

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production by 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at www.ur-energy.com.

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Ur-Energy Increases Technical Expertise

Denver, Colorado (CCNMatthews – June 4, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy”) is pleased to announce the addition of five new employees who will be based in Ur-Energy’s Casper, Wyoming USA office. They are Steve Hatten, Manager, Engineering; Cal VanHolland, Exploration Manager, Wyoming District; Myron “Ron” Benda, Sr. Project Geologist; Chris Siron, Geological Engineer; and, Ahmad Jodeh, Geophysical Logging Engineer.

Bill Boberg, President and CEO, stated, “I’m delighted to have this group join our team. Their experience and capabilities are a great fit with our existing technically strong professional staff. I look forward to working with them to bring our projects into production and expand our property portfolio pipeline.”

Steve Hatten joins the development/production team as Manager, Engineering. The development team has the immediate responsibility to develop and bring into production the Lost Creek uranium deposit in the Great Divide Basin, Wyoming. Steve has over 18 years experience with a strong background in ISR (in-situ recovery) uranium operations as a project manager and in well field and production facility design and engineering. Steve previously worked for Power Resources, Inc., High Country Fabrication, Inc. and Rio Algom Mining Corporation. He has a Bachelor of Science in Petroleum Engineering from Texas Tech University.

Cal VanHolland, a Wyoming Professional Geologist, will be the Exploration Manager, Wyoming District. He will lead Ur-Energy’s exploration team on 12 project areas covering over 82,000 acres of mineral lands. He has over 34 years of experience in the mining industry with 27 years in uranium exploration and mining in Wyoming and Texas, more specifically in-situ recovery (ISR) mining. He was District Geologist for Energy Metals Corporation and Chief Geologist for High Plains Uranium, Inc. During his career he worked for Cogema Mining Inc., Total Minerals Corporation, Uranerz USA, Inc. and he has consulted for Mestena Uranium LLC. He has a Bachelor of Science in Geology from Hope College.

Ron Benda will be the Senior Project Geologist. He will be responsible for supervising the field operations, resource delineations and drilling operations at the Lost Creek project in the Great Divide Basin, Wyoming USA. He has over 20 years of experience, including 8 years in uranium exploration, development and mining, and 5 years in oil and gas exploration and development. Mr. Benda has worked as a Geologist for Exxon and Conoco and then as an Environmental Specialist/Geologist for Georgia Environmental Protection Division, Underground Storage Tank Unit. He has also worked as an Environmental Scientist for Metcalf & Eddy, Inc. and a Project Manager for ATEC Environmental Consultants. His education includes a Bachelor of Arts in Earth & Environmental Science and Master of Arts in Economic Geology from Queens College, City University of New York.

Chris Siron is a Geological Engineer. Not only did Mr. Siron work as a summer student in the position of Geotechnician for Ur-Energy in 2006, but he was a Student Intern for the Department of Natural Resources, Division of Mining, Land and Water in 2005. Mr. Siron is a recent

graduate of the Colorado School of Mines with a Bachelor of Science in Geological Engineering. He plans to return to graduate school to get a Masters Degree in 2008. He will be working at the Wyoming Lost Creek site supporting the ongoing development drilling program.

Ahmad Jodeh joins Ur-Energy as Geophysical Logging Engineer. He will be operating the newly acquired well logging truck to support the Wyoming Lost Creek drilling program as well as support the exploration program headed by Cal VanHolland, Exploration Manager, Wyoming District. A recent graduate of Colorado State University, Mr. Jodeh obtained a Bachelor of Science in Mechanical Engineering. His related work experience has been with the State of Wyoming Department of Environmental Quality where he did computer modeling of ground water contamination, GIS data interpretation, and inspection of ground water well drilling operations.

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Ur-Energy Prepays Promissory Note

Denver, Colorado (CCNMatthews June 7, 2007) **Ur-Energy Inc. (TSX:URE)** (the “Company”) is pleased to announce that it has fully paid the promissory note due to New Frontiers Uranium, LLC (“New Frontiers”) saving the Company US\$3.75 million in future interest charges.

The promissory note obligation arose in conjunction with the Membership Interest Purchase Agreement (“MIPA”) entered into with New Frontiers effective June 30, 2005. Under the terms of the MIPA, Ur-Energy USA purchased 100% of the issued and outstanding membership interests in NFU Wyoming, LLC (“NFU Wyoming”) which owned certain Wyoming properties in the Great Divide Basin and Shirley Basins. In total, the property ownership comprised 99 unpatented mineral claims and mineral leases on three state sections. The assets acquired from New Frontiers included the extensively explored and drilled Lost Creek and Lost Soldier projects and a development database including over 10,000 electric well logs, over 100 geologic reports and over 1,000 geologic and uranium maps covering large areas of Wyoming, Montana and South Dakota.

The aggregate consideration payable under the terms of the MIPA was US\$20,000,000. The total amount payable on closing was US\$5,000,000. The balance of the acquisition cost was financed by way of the promissory note payable to New Frontiers. In June of 2006, the Company made the first anniversary payment of US\$5,000,000. The Company has elected to prepay the amount outstanding prior to the second anniversary on June 30, 2007 with an adjustment in the interest due and payable.

Roger Smith, CFO, stated, “Not only does the early retirement of the debt save the Company US\$3.75 million of interest charges, but it also demonstrates management’s continued commitment to, and confidence in, our Lost Creek and Lost Soldier projects in the Great Divide Basin of Wyoming. This allows us to focus our undivided attention on the development of these and other projects from a debt-free position.”

Under the terms of the MIPA, the Company through NFU Wyoming staked 211 additional unpatented mineral claims for the Bootheel and Buckpoint projects within the Shirley Basin, Wyoming. Within the Great Divide Basin, Wyoming, the Company staked 117 additional unpatented mineral claims in the North Hadsell project area, 133 additional unpatented mineral claims in the Lost Creek projects area and 17 additional unpatented mineral claims in the Lost Soldier project area.

“We’re very pleased to complete our payment to New Frontiers two years earlier than required by our agreement,” commented CEO & President Bill Boberg. “The principals of New Frontiers, Fred Groth, Dick Fruchey and Tom Pool, have been excellent to work with over the past two years, and I look forward to continuing our association in the future. We are delighted that they had the foresight, long before this current uranium bull market started, to acquire the uranium projects and databases that formed the basis of our agreement with them back in 2005. The projects and databases that we acquired from them have led to a major part of our growth.”

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Ur-Energy Forms Bootheel Project, LLC With Target Exploration & Mining

Denver, Colorado (CCNMatthews – June 11, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy”) is pleased to announce today that it has entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining (“Target”) to form the Bootheel Project, LLC (“Bootheel Project”) covering an area of known uranium occurrences in Albany County, Wyoming. The Bootheel Project covers a defined area of approximately 6,000 acres in the Shirley Basin area. The primary goal of the Bootheel Project is to move rapidly to the production of uranium, possibly by the In-Situ Recovery (“ISR”) mining method.

Under the terms of the Agreement, Ur-Energy contributed its Bootheel and Buck Point properties located within the Shirley Basin and comprised of 279 mining claims and two state leases. Target will contribute US\$3,000,000 in expenditures and issue 125,000 shares to Ur-Energy over a four year period in order to earn a 75% participating interest in the two uranium properties. Target will be the operator of the Bootheel Project.

Bill Boberg, President, CEO & Director of Ur-Energy, stated, “We are impressed with the Target management and believe that they will be major contributors to the development of the Ur-Energy projects in the southeast Shirley Basin. While we concentrate our efforts on bringing Lost Creek and Lost Soldier into production, Target can complete the necessary work at Bootheel. Bringing Target in as a partner reinforces our commitment to bring value to our extensive database and to move our exploration projects forward.”

Uranium mineralization was intersected on both properties during the late 1970s and the mineralization has the potential to be recovered by ISR methods. Uranium was discovered in the Shirley Basin in 1955 and production continued until 1992. Although the majority of commercial production in the Shirley Basin was carried out by conventional mining methods, ISR methods were tested on several deposits.

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UR-ENERGY ADDED TO S&P/TSX* GLOBAL MINING INDEX

Denver, Colorado (CCNMatthews June 18, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy”) has been selected to be included in the new S&P/TSX Global Mining Index which was launched Tuesday, June 12, 2007. The S&P/TSX Global Mining Index is designed to provide an investable representative index of publicly traded international mining companies. Eligibility factors include market capitalization, liquidity, listing, eligible securities, and shares outstanding.

“We are excited that Ur-Energy has been chosen to be included in the S&P/TSX Global Mining Index. This prestigious opportunity is a positive progression for our shareholders and mining investors alike,” stated President and Chief Executive Officer, Bill Boberg.

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**“S&P” is a trademark owned by the McGraw-Hill Companies, Inc. and “TSX” is a trademark owned by TSX Inc. Company additions to and deletions from an S&P Index do not in any way reflect an opinion on the investment merits of the company.*

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UR-ENERGY INC VENTURES WITH TRIGON URANIUM CORPORATION

Denver, Colorado (CCNMatthews June 25, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) has entered into agreements with Trigon Uranium Corporation (“Trigon”) to form the Hauber Project LLC (“Project”).

Ur-Energy will contribute to the Project its recently acquired property located in Crook County, Wyoming, consisting of 205 unpatented lode mining claims and 1 state uranium lease totaling approximately 5,160 mineral acres. The property is over an area of identified uranium occurrences. Pursuant to the terms of the agreements, Trigon can earn a 50% ownership interest in the Project if it contributes US \$1.5 million in exploration expenditures to the Project over three years. Trigon will act as Manager of the Project.

Additionally, the agreements further provide that after Trigon has earned the 50% ownership interest, Trigon has the option to acquire an additional 1% ownership interest by an additional payment of US \$1.0 million for Project exploration and expenditures. If Trigon does not exercise this option, Ur-Energy may do so for the same payment contribution. There is also a provision in the agreements for a sixty day environmental due diligence period, at the outset, during which Trigon will conduct an independent environmental due diligence study to confirm that there are no manmade environmental hazards or other environmental liabilities prior to the commencement of the Project.

Bill Boberg, Ur-Energy’s President and Chief Executive Officer, stated, “We are pleased with the addition of Trigon to our strategic alliances. Forming such a venture allows the Hauber Project to move forward at a faster pace while we continue to bring our Lost Creek and Lost Soldier properties into production.” The Company’s Lost Creek and Lost Soldier properties are located in the Great Divide Basin of Wyoming.

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities on its Lost Creek and Lost Soldier properties located in Wyoming, with production expected to commence in 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at www.ur-energy.com.

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UR-ENERGY OPTIONS ATHABASCA URANIUM PROPERTY, DRILLING TO COMMENCE IMMEDIATELY

Denver, Colorado (CCNMatthews – June 26, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or the “Company”) is pleased to announce the signing of a letter of intent with Titan Uranium Incorporated whereby Ur-Energy can earn up to an undivided 51% working interest in Titan’s R-Seven and Rook I properties by funding Cdn \$9 million in exploration programs managed by Titan over a 4-year earn in period. Diamond drilling of the property is scheduled to begin in early July, 2007 with a first year expenditure of \$2.0 million.

The option agreement calls for annual expenditures of \$2 million in each of the first three years with a further \$3 million in year four. Vesting of a 25% working interest will be at Ur-Energy’s election after the expenditure of \$4 million in the second year of the agreement. Upon the expenditure of an additional \$2 million in year three, Ur-Energy will be eligible to vest a further 10% working interest. The remaining 16% working interest may vest with the expenditure of \$3 million in year four. Upon completion of the earn-in phase, Ur-Energy and Titan will proceed as joint ventures partners with Ur-Energy becoming project operator.

The R-Seven and Rook I properties include 17 mineral claims totaling 75,698 hectares (187,053 acres). The claims are located in the southwestern portion of Saskatchewan’s Athabasca Basin. The unconformity-type U deposits of the Athabasca Basin form the world’s largest storehouse of high-grade uranium resources, accounting for 28% of total world uranium production in 2006. Individual deposits grade up to 15 and 22% at the extraordinary Cigar Lake and McArthur River deposits. Grades average about 2% for 30 known Athabasca Basin deposits - more than 4 times the average grade of similar type deposits in other sandstone basins of the world.

The claims cover a prospective magnetic trend that hosts a number of strong electromagnetic conductors identified by airborne and ground geophysical surveys. Limited historical drilling on the Titan properties intersected graphitic metasediments, faults, elevated levels of pathfinder elements and alteration typically associated with uranium deposits. An electromagnetic conductor associated with uranium mineralization on the adjacent property extends onto the Titan ground.

“This property deal provides Ur-Energy with its first opportunity to participate in the hunt for high-grade uranium in the Athabasca Basin” said Paul Pitman, VP Canadian Exploration for the Company. *“The property was chosen because of the number of prospective conductors outlined by airborne geophysics, interpreted cross-structures and the fact that the claims are located along the south edge of the Athabasca Basin indicating drillable depths to the unconformity”*.

ABOUT THE COMPANY

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities leading to production of sandstone hosted uranium in Wyoming, USA. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company's website is at www.ur-energy.com.

The Qualified Person for the Canadian exploration properties of Ur-Energy Inc., as defined by National Instrument 43-101, is Paul Pitman, P.Geo., and Vice-President.

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Ur-Energy Acquires Large Data Package

Denver, Colorado (Marketwire – July 11, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy”) is pleased to announce its acquisition of data from Power Resources Inc. (“PRI”) (Cameco - TSX:CCO) pertinent to exploration and development in the Shirley Basin, Wyoming USA area. The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from such previous operators as Cherokee, Kerr McGee, URADCO (PP&L), and Mobil as well as historical feasibility reports from Dames & Moore and Nuclear Assurance.

Ur-Energy will make any data covering its Shirley Basin, WY Bootheel and Buckpoint properties and as defined by the Area of Interest, available to the venture it has with Target Exploration & Mining (TSX.V:TEM) known as the Bootheel Project, LLC.

The Data Purchase Agreement includes a 1% royalty interest payable to PRI on uranium and associated minerals and materials produced from Ur-Energy’s Bootheel and Buck Point properties which involves 279 lode mining claims and 2 State of Wyoming Mineral Leases.

“This data package will play a key role moving forward on the Bootheel Project, LLC as well as provide for the possible identification of new properties to add to the Ur-Energy exploration properties pipeline,” stated Bill Boberg, President and Chief Executive Officer.

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Ur-Energy Maintains Production Schedule While Exploring for New Discoveries - Webcast Tomorrow

Denver, Colorado (CCNMatthews – July 24, 2007) **Ur-Energy Inc. (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce today that its permitting and engineering work is progressing on schedule, with positive results, and a vigorous exploration program has been initiated.

Bill Boberg, President & CEO stated, “*Ur-Energy’s corporate objectives are three-fold:*

- 1) *To start producing uranium in Wyoming by 2009;*
- 2) *To be a low cost producer of uranium and not be impacted by lower uranium prices; and,*
- 3) *To extend and expand our production pipeline through aggressive development and exploration programs in the US, exploration programs in Canada and through strategic acquisitions.*

Our work to date in 2007 demonstrates our strong commitment to meeting those objectives. We are very encouraged by our development work to date at Lost Creek. We congratulate our superb mining team for maintaining a rigorous schedule to accomplish our goals. We are particularly pleased that our projected costs of production at our Lost Creek project will make us a low cost producer and profitable at spot uranium prices considerably below today’s prices.”

Due to extensive due diligence regarding the Company’s May 2007 financing, the normal quarterly report to shareholders was not possible, so there is six months of activities to report on at this time.

Management of Ur-Energy invites you to join them for a Webcast at 11:00 AM Eastern Time, this Thursday, July 26, 2007, to update interested shareholders on the fast-tracking of its Wyoming uranium projects. Instructions for joining the Webcast are as follows:

<p>Date: Thursday, July 26, 2007 Time: 11:00 AM Eastern Time Dial-In Numbers: Toll Free - 1-866-214-7077 Toronto/International - 416-915-9608 Registration for Webcast: To register to participate in the Webcast use the following link: http://events.onlinebroadcasting.com/urenergy/072507/index.php</p>

HIGHLIGHTS

Corporate

Ur-Energy continued to expand on its technical expertise during the first half of 2007 through development of a strong engineering and geologic team in its Casper, Wyoming office for its uranium in-situ recovery ("ISR") program. The company team members have more than 450 years of combined direct experience in all phases of uranium mining from exploration through development, mining and processing.

Important events to date in 2007 include the following:

- Wayne Heili joined the Company as Vice President, Mining & Engineering.
- Steve Hatten joined the Company as Manager of Engineering.
- Roger Smith joined the firm as Chief Financial Officer.
- Expansion of office space and operational staff in Casper, Wyoming.
- C\$82.5 million raised through "bought deal" prospectus financing at C\$4.75.

Lost Creek Project

The **Lost Creek** uranium deposit is located four miles north of Rio Tinto's Sweetwater mill in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometres) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 metres) and 700 feet (213 metres) in depth. NI 43-101 Compliant Resources (Roscoe Postle Associates Inc., June 15, 2006) for **Lost Creek** are: 9.8 million pounds of U₃O₈ at 0.058% as an indicated resource and an additional 1.1 million pounds of U₃O₈ at 0.076% as an inferred resource. In 2006, seventeen cased monitoring and pump test wells were completed on the property and the initial testing was completed successfully with encouraging results.

Four drill rigs are presently drilling at **Lost Creek** and the addition of a fifth rig has been scheduled. The drilling is to complete several separate phases of work on the project:

- Installation of pump test and monitor wells for baseline and engineering data.
- Ore body delineation wells to better define the ore body for wellfield planning.
- Condemnation wells to assure that the plant site will not be built on an ore deposit.
- Water wells for water for the drilling operation.

The following work at **Lost Creek** was completed during the past six months and additional work is planned for the remainder of 2007:

- A second round of pump testing was completed demonstrating above average flow rates and favourable conditions for ISR mining. A third round of pump testing is planned for August 2007.
- 29 of 59 pump test and monitoring wells have been installed to date, with the remainder to be installed during 2007.
- 32 delineation drill holes of 195 delineation holes have been completed. The extensive delineation drilling program is to define the outer limits of mineralization for engineering wellfield design.
- 2 additional water wells were completed away from the delineated wellfields. One of the water wells intercepted 12 feet (3.7 metres) of uranium-bearing sandstone at a grade of 0.075 % U₃O₈. This is within the main mineralized zone, but more than 2,400 ft. (732 metres) from known mineralization indicating a possible major extension of mineralization within the main mineralized zone.
- 6 condemnation drill holes reaching up to 1,000 feet (305 metres) in depth were completed in the proposed plant site areas.

- Mineralized intercepts in the 2007 drilling program continue to indicate that the mineralization at Lost Creek is commonly thicker than average mineralized roll fronts in the basin. Examples are: LC45 in the HJ Sand was 27 feet (8.2 metres) thick at a grade of 0.121% U₃O₈ and LC49 in the KM Sand was 25 feet (7.6 metres) thick at a grade of 0.064% U₃O₈.
- Engineering feasibility studies being conducted by the Ur-Energy in-house engineering team are well underway, including wellfield design and processing plant design.
 - > A proposed new processing plant is being designed and permitted to produce 2 million pounds of U₃O₈ yellowcake slurry per year with the capability to toll process loaded resin from other satellite ISR facilities.
 - > Capital equipment orders for long lead time items will be placed early in 2008.
 - > Instead of building a satellite plant for resin loading, as anticipated in the preliminary plans, Ur-Energy will construct a full scale processing plant which will be completed in stages. The first stage will produce yellowcake slurry and, at a later date, a second stage will add a drying and packaging facility.
- The Ur-Energy License Permit Application to the US Nuclear Regulatory Commission (“NRC”) for **Lost Creek** is being compiled into report form based on the extensive individual geologic, engineering and environmental studies completed by Ur-Energy since starting the permitting process in July 2005.
 - > The projected date for submission of the Ur-Energy License Permit to the NRC is September 2007. This is projected to be the first new ISR (non-satellite) mining license application from Wyoming in recent years.
 - > The Application for the Ur-Energy Permit to Mine will be submitted to the Wyoming Department of Environmental Quality (“WDEQ”) following the license submission to the NRC.
- All environmental baseline studies have been completed and our contractor, AATA International, is compiling the permit applications for both the NRC and the WDEQ.
- Evaluation and permitting of Class I deep disposal well sites is being done by Petrotek Engineering.
- The 2007 budget for **Lost Creek** is approximately US\$8 million.

Regarding the preparation of the Applications for Permit to Mine at Lost Creek, Bill Boberg, Ur-Energy President & CEO, stated, *“We are still on time and within budget to complete and submit our application for Permit to Mine at Lost Creek this September. Drilling at Lost Creek has been identifying several new areas for potential expansion of our resource base, and we expect that drilling during 2007 will increase the Lost Creek resources. Our staff and contractors have been doing an excellent job of moving the Lost Creek project forward. I fully expect that the quality of our applications will be a model that the agencies will use in evaluating future applications. We will be the first new production by a junior uranium company in the state of Wyoming.”*

Lost Soldier Project

The **Lost Soldier** project is located approximately 14 miles (22.5 kilometres) to the northeast of the **Lost Creek** project. The property already has over 3,700 historic drill holes defining 14 mineralized sandstone units. NI 43-101 Compliant Resources (Roscoe Postle Associates Inc., July 10, 2006) for **Lost Soldier** are: 5 million pounds of U₃O₈ at 0.064% as a measured resource, 7.2 million pounds of U₃O₈ at 0.065% as an indicated resource and 1.8 million pounds of U₃O₈ at 0.055% as an inferred resource.

- All environmental baseline studies have been completed, with baseline groundwater and meteorological data collection is on-going.
- A scoping study is being completed by Pincock, Allen & Holt Engineering. This study will include an evaluation of the mineability of additional shallow uranium resources which

- are above the water table and were not included in the Ur-Energy NI 43-101 compliant resource base for Lost Soldier.
- The 2007 budget for **Lost Soldier** is approximately US\$1 million.

USA Exploration Projects

An in-house team of four geologists in the Ur-Energy Littleton office has been doing an evaluation of the extensive well log and exploration database owned by Ur-Energy. During 2007, exploration will be carried out on five projects: three on 100% Ur-Energy projects and two by other companies through exploration, development and operating ventures on Ur-Energy properties.

- During 2007, more than 11,000 additional acres of on-trend mineral properties were acquired and added to the Ur-Energy US property portfolio. The total US land holdings are now approximately 91,000 acres.
- New drill targets in Wyoming, based on in-house uranium exploration models, have been developed for the **Radon Springs, Eagles Nest** and the **LC (Lost Creek) North project** areas.
 - > Drill permit applications have been submitted to the WDEQ for an exploration drilling program of 74 holes to start on these projects in August 2007.
 - > Reclamation bonding to cover the above drill permit applications will be more than US\$500,000.
- An exploration, development and mine operating agreement was entered into with a subsidiary of Target Exploration & Mining to earn-in 75% on the Ur-Energy **Bootheel Project** properties in the Shirley Basin, Albany County, Wyoming.
- An exploration, development and mine operating agreement was entered into with a subsidiary of Trigon Uranium Corporation to earn-in 50% (plus the potential to acquire an additional 1%) on the Ur-Energy **Hauber Project** properties on-trend with the Hauber uranium mine in Crook County, Wyoming.
- The 2007 budget for exploration on the 100% Ur-Energy projects in the USA is approximately US\$2 million.

Canadian Exploration Projects

Ur-Energy's key uranium exploration properties in Canada that are wholly owned or under option cover more than 380,000 acres (153,000 hectares). The major land holdings in the NWT and Nunavut are **Screech Lake and Eyeberry Properties**, Thelon Basin, Northwest Territories; **Bugs**, Kivallig region, Nunavut; and the **Hornby Bay Basin** properties which straddle the Nunavut/Northwest Territory boundary, and the **R-Seven and Rook 1 Properties**, Athabasca Basin, Saskatchewan under option from Titan Uranium Exploration.

- **Hornby Bay West Dismal Lakes** property
 - > Joint Venture with Triex Minerals Corporation as operator.
 - o Triex to spend C\$700,000 to earn 100% (Ur-Energy retains 5% NSR royalty).
 - > Triex currently drilling (July - August 2007) conductive zones.
 - o Plans are to spend C\$1.25 million during 2007.
- **R-Seven and Rook 1** properties
 - > Joint Venture with Titan Uranium as operator.
 - o Ur-Energy is required to spend C\$9.0 million, over four years, to earn up to 51%.
 - o Properties cover 187,053 acres (75,698 hectares).

- > Adjacent property held by Cameco has drill hole that intersected 0.24% U₃O₈ over 2.4 meters in a conductive zone that extends on to the R-Seven and Rook 1 properties
- > Very prospective properties with numerous electromagnetic conductive zones.
- **Screech Lake** property (100% URE)
 - > Ur-Energy work has been slowed by lack of permit to drill during 2007.
 - o Report by MacKenzie Valley Environmental Impact Review Board (“MVEIRB”) made the recommendation to Minister of Indian and Northern Affairs Canada (“INAC”) that the Ur-Energy application for a Limited Use Permit (“LUP”) for drilling at Screech Lake be rejected (for details see Ur- Energy Press Release May 9, 2007).
 - o Ur-Energy has expressed its concerns to the INAC Minister and a final decision by the Minister has not yet been made.
- **Bugs** property (100% URE)
 - > 2007 exploration program underway.
 - > Property has several high-grade boulder trains.
 - > 2007 program will define targets for future drilling.
- The Ur-Energy budget for Canadian projects during 2007 is approximately C\$2.5 million.

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Ur-Energy Announces Webcast for July 26, 2007

Denver, Colorado (Marketwire, July 24, 2007) **Ur-Energy Inc (TSX:URE)** (“the Company”) will present a webcast at 11:00 AM Eastern Time on Thursday, July 26, 2007 to review the first and second quarter activities and progress of the Company. Ur-Energy President and Chief Executive Officer Bill Boberg stated, “We are pleased to return to doing the quarterly update webcasts after the first quarter having been held off due to a financing at the time. These updates are an important means in communicating with the investment community.” Boberg added, “We are very encouraged with the work that has been completed and are looking forward to sharing it with our shareholders.”

Register to participate in the webcast event by going to the following link: <http://events.onlinebroadcasting.com/urenergy/072507/index.php> Then, join the webcast:

Date: Thursday, July 26, 2007
Time: 11:00 AM Eastern Time
Dial-in Numbers: Toll-free: 1-866-214-7077
Toronto/International: 416-915-9608

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## Ur-Energy's Board of Directors Change

**Denver, Colorado** (Marketwire – July 26, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) and its Board of Directors are pleased to announce the appointment of Thomas Parker as a director of Ur-Energy Inc. “We are very happy to welcome Tom Parker to Ur-Energy’s Board of Directors. His extensive operating and management experience with active mining operations will be valuable to the company as we move from development to active mining operations. He will add great depth to our existing board,” said Ur-Energy’s President and Chief Executive Officer Bill Boberg.

A mining engineer graduate from South Dakota School of Mines, with a Master’s Degree in mineral engineering management from Penn State, Mr. Parker has worked extensively in senior management positions in the mining industry for the past forty years. Tom Parker is President and Chief Executive Officer of Gold Crest Mines Inc., a Spokane based gold exploration company. Gold Crest has properties in southwest Alaska in the Kuskokwim Mineral Belt and in the Yellow Pine District of Idaho. Prior to Gold Crest, Mr. Parker was the President and Chief Executive Officer of High Plains Uranium, Inc., a junior uranium mining company with over 120,000 acres (48,562 hectares) in claims and lease agreements that was acquired by Energy Metals Corporation in January 2007. Mr. Parker spent 10 years as Executive Vice President of Anderson and Schwab, a New York based management consulting firm where his clients included UBS Warburg, Norilsk Nickel, Southern Peru Copper Company, Arch Coal Company and Goldman Sachs. Prior to Anderson and Schwab, he was Chief Executive Officer of Costain Minerals Company, a \$425 million company with 22 operating coal mines, the Brewer gold mine and Montana Talc. Earlier in his career, Mr. Parker worked 10 years for ARCO where he was President of Beaver Creek Coal Mines, General Manager of Nevada Moly, President of Thunder Basin Coal Company and VP for Engineering, Exploration and Business Development. He was also General Manager of the Jacobs Ranch mine for Kerr McGee Coal Company and served as Project Manager for Conoco for the Imouraren uranium deposit in Niger. Opened, staffed and managed Conoco’s Paris office which was established to coordinate Conoco’s activities with those of the two other partners - the French Atomic Energy Commission (COGEMA) and the Niger State Mining Company (ONAREM). He has worked in the potash, limestone and talc industries and has extensive experience in Niger, France and Venezuela.

The appointment of Thomas Parker comes at the same time as the acceptance of Gary Huber’s resignation. The Board sincerely thanks Gary Huber for his contributions to the Board and wishes him well in his future endeavors.

Ur-Energy’s Board Chairman and Director Jeff Klenda stated, “We are ecstatic to have Tom Parker join our board. With Tom’s proven experience and leadership within the mining industry, especially the uranium sector, Ur-Energy and its shareholders are extremely lucky to have someone of this caliber.”

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## **Exploration Update on the Hornby Bay Basin Project**

**Denver, Colorado** (Marketwire August 2, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to report that Triex Minerals Corporation (“Triex”) is actively exploring the Company’s Hornby Basin properties and that drill testing of targets at Dismal Lake is currently underway.

Triex is operator of a 50:50 Joint Venture with Pitchstone Exploration Ltd. to explore for uranium on various properties which cover some 221,000 ha in the Hornby Basin. The 2007 exploration budget is \$2.3 million. The program is focused mainly on drilling, which started on May 9<sup>th</sup> and is expected to run until mid-August (Triex news release May 9, 2007). Included are several holes planned for the western target at Dismal Lake which is located on claims under option from Ur-Energy. All holes are tested down-hole by a Mount Sopris 2PGA-1000 poly-gamma probe survey. In addition to drilling, extensive prospecting and mapping, soil geochemistry and ground-based resistivity surveys are also being done on claims under option to Ur-Energy which surround the Joint Venture’s claims which cover the Mountain Lake uranium deposit. This work will refine targets for drill testing in 2008.

The current drill program at Dismal Lake is a follow-up of an airborne GEOTEM magnetic and electromagnetic survey flown by Fugro Airborne Surveys for Ur-Energy in 2005, a subsequent radiometric survey flown by Triex in 2005, and extensive mapping, prospecting and soil geochemistry done by Triex in 2006. These surveys have outlined two targets which might be the source for the radioactive boulder field discovered on the property in the late 1970s. Results from the current program are expected to be released in the fall, when all analytical data have been received.

Ur-Energy optioned its Mountain Lake and West Dismal Properties to the Triex-Pitchstone Joint Venture in early 2006. At Mountain Lake, Ur-Energy holds 41 claims covering about 38,545 hectares (95,242 acres) that adjoin 8 claims held by Triex. Near the west end of Dismal Lakes, Ur-Energy’s holds 17 mineral claims totaling approximately 13,920 hectares (34,400 acres). Both claim groups cover numerous historic radioactive boulder fields. In order for Triex to earn a 100% interest in the claims they must incur a total of \$700,000 by September, 2007. Ur-Energy will retain a 5% NSR royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

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## **Ur-Energy Confirms Safety of C\$88.7 Million Cash Position and Plans Towards Production and Expansion**

**Denver, Colorado** (Marketwire – August 23, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) confirms that its cash position is secure and work continues to advance the Company towards production. Bill Boberg, President and Chief Executive Officer, stated, *“The basic fundamentals of the uranium market and of Ur-Energy remain unchanged. Medium and long term uranium supply continues to be a problem. Given Ur-Energy’s production schedule, low capital requirements, projected low cost of production and first-class technical team as well as a secure treasury sufficient to take us well into production, Ur-Energy is uniquely well-positioned in today’s market.”*

*Our production staff maintains on schedule to submit our application to the Nuclear Regulatory Commission this September. Our Lost Creek project continues on the fast track to production in 2009. In addition, our exploration and development projects are aggressively moving forward. We thank our shareholders for their valued support and encouragement and want them to know that their investment in Ur-Energy continues to be solid and well placed.”*

The Company recently released its second quarter financial results for 2007. As covered in Management’s Discussion and Analysis, two key events took place during the second quarter that impacted the Company’s cash position, which at June 30, 2007, was C\$88.7 million.

In May, the Company completed a bought deal financing at C\$4.75 per share, in which a total of 17,431,000 common shares were issued for gross proceeds of C\$82.8 million. Direct share issue costs, including commissions, were C\$5.3 million.

In June, the Company retired its only debt obligation with a C\$12.0 million debt payment to New Frontiers Uranium LLC. The early debt repayment allowed the Company to save nearly C\$4.0 million of future interest charges and placed the Company in a debt-free position.

As a result, the Company is well-funded and, considering the recent vagaries of the market, wishes to emphasize that all of the Company’s cash resources are invested with major banks in bankers’ acceptances, guaranteed investment certificates, certificates of deposit, or money market accounts. Roger Smith, Chief Financial Officer, stated, *“The primary objective of the Company’s treasury and investment policy is safety of principal. Subject to this objective liquidity is emphasized, which allows management to focus its undivided attention on the development of our projects from a well-funded, debt-free position.”*

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## Ur-Energy Signs Agreement with Titan Uranium, Drilling Commences

**Denver, Colorado** (Marketwire – August 29, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce the formally signed definitive Option Agreement on Titan Uranium Inc.’s (“Titan”) R-Seven and Rook I properties. These two project areas comprise of 75,698 hectares (187,053 acres) located in the western part of the Athabasca Basin. Ur-Energy can earn up to an undivided 51% working interest in the properties by financing C\$9 million in exploration expenditures over a four-year period.

Titan has commenced drilling on the properties as part of a 2007 exploration program budget of C\$2 million. The program includes ground geophysical surveying and approximately 5,000 meters of diamond drilling. The drill targets are strong basement electromagnetic conductors defined by airborne and ground geophysical surveys that were completed in 2005 through 2007. Limited historical drilling has reported graphitic basement rocks, structure and alteration in the sandstone plus anomalous levels of pathfinder elements. These features are typically observed in the vicinity of uranium mineralization. Geology and uranium mineralization associated with Cameco’s adjacent property trends on to the optioned R-Seven and Rook I properties.

Vice President of Canada Exploration Paul Pitman affirmed, “Ur-Energy is now involved in the two main basins of Canada with known uranium deposits – the Thelon and Athabasca Basins. Canada is known for its high-grade uranium mineralization which should bode well for the Company as we continue and expand our exploratory program. Ur-Energy looks forward to a strong working relationship with Titan and the forthcoming 2007 drilling results from the Athabasca Basin projects.”

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring its Lost Creek Wyoming uranium deposit into production in 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at [www.ur-energy.com](http://www.ur-energy.com).

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## Ur-Energy Expands 2007 Drilling Program – Begins Processing Facility Plans

**Denver, Colorado** (Marketwire – September 19, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce the completion of its originally planned drilling program for 2007 and based on favorable results and early completion, the Company is extending the program to include an additional 125 holes at its Lost Creek In-Situ Recovery (ISR) project.

Completion of Phase I and Phase II of the drilling program resulted in 58 monitor and pump test wells, 2 water wells and 70 delineation wells. The successful achievement enabled the Company to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies; for the Wyoming Department of Environmental (“WDEQ”) Permit to Mine application; for the US Nuclear Regulatory (“NRC”) Source Material License application; and, for the WDEQ Mine Unit #1 Permit application. In addition, six condemnation holes were drilled to make certain the potential target plant location was not over any part of the orebody. The Company is delighted to have completed its initial draft of the NRC Source Material License. It is presently under an extensive review and editing process to ensure the application is all inclusive and properly prepared before its final submittal.

Drilling thus far at Lost Creek identified several new areas for expansion of the resource base. Therefore, the Company expanded its 2007 drilling program to include 125 additional drill holes at Lost Creek, 50 hole locations for LC North, 20 for RS and 4 for EN for an approximate grand total of 233,000 feet (71,025 meters) to be drilled in 2007. This extensive drilling program is to generate additional resources for Ur-Energy’s future production pipeline to its planned processing plant.

Ur-Energy’s highly experienced in-house engineering team is completing the engineering feasibility studies for the Lost Creek ISR uranium mine. The engineering studies include wellfield design and processing plant design. The proposed new processing plant will be designed and permitted to produce two million pounds of U<sub>3</sub>O<sub>8</sub> yellowcake slurry per year with the capability to toll process loaded resin from other satellite ISR facilities. It is Ur-Energy’s intent to construct a full scale ISR processing plant. The first stage of the plant construction will produce yellowcake slurry and, at a later date, a second stage will add a drying and packaging facility.

“The true value of Ur-Energy keeps re-surfacing as we move closer and closer to production. The leadership, experience and dedication of our people and the quality of our projects are what truly sets Ur-Energy apart and puts the Company out in front to become the next uranium producer in Wyoming,” stated Bill Boberg, President and Chief Executive Officer. “The fact that we can complete a planned drilling program ahead of schedule and then expand it to nearly double in size from our original plans just shows the resolve this group has to be successful in its endeavor.”

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## **Ur-Energy Expands Wyoming Operations Office – Hires Environmental, Health, Safety and Regulatory Affairs Manager & Production Geologist**

**Denver, Colorado** (Marketwire – September 24, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) welcomes John W. Cash, CMSP to its Casper, Wyoming Operations Team as the Environmental, Health, Safety and Regulatory Affairs Manager. Mr. Cash joins the Ur-Energy team from Crow Butte Resources, Inc. (Power Resources Inc./Cameco) where he worked as Operations Superintendent. Prior to Crow Butte, Cash worked for Rio Algom Mining in the capacity of Environmental, Health, Safety and Regulatory Affairs Manager. Cash is a Certified Mine Safety Professional (CMSP) as well as an approved MSHA Safety Trainer. He received his Bachelor of Science in Geology and Geophysics as well as his Master of Science in Geology and Geophysics from the University of Missouri-Rolla. He is also a Fellow of the World Nuclear University Summer Institute 2005.

The Company also welcomes John K. Cooper as its Production Geologist. Cooper comes from working as a Project Geologist for Power Resources Inc. (Cameco) at the Smith Ranch/Highland Site. He earned both his Bachelor and Masters of Science (Geology) from East Carolina University and was a member of the East Carolina University chapter of Sigma Gamma Epsilon (a national Earth Sciences honor society).

The Casper office relocated its office to a larger location in order to accommodate the fast-paced personnel and operational expansion. The office square footage was increased from 2,400 square feet to 9,200 square feet. The new location provides adequate space to grow as well as a warehouse area to service field and delivery trucks, field supply storage, etc.

Wayne Heili, Vice President of Mining, stated, “I am pleased with the progress the Casper office has experienced in such short order. It is a credit to the professionalism and experience of the employees we have on board. We’ve gone from a two man office to more than a dozen personnel in six months, and we did this while maintaining an aggressive schedule to advance our uranium ISR mining projects. Mr. Cooper and Mr. Cash have the experience and abilities to enhance our already strong field and office team. Their addition has strengthened Ur-Energy’s position as a leader in the junior mining sector and positions us well as we move our properties towards production.”

Ur-Energy is a junior mining company completing mine planning, baseline studies and permitting activities to bring its Lost Creek Wyoming uranium deposit into production in 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The company’s website is at [www.ur-energy.com](http://www.ur-energy.com).

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**Ur-Energy Confirms High-Grade Uranium Mineralization  
And Plans Drill Program at Bugs Project, Nunavut - -  
Minister Rejects Field Program at Screech Lake, NWT  
But Confirms Legal Standing of Mining Claims**

**Denver, Colorado** (Marketwire - October 25, 2007) - **Ur-Energy Inc. (TSX:URE)** is pleased to announce the results from its summer exploration program on its Bugs Property in the Baker Lake Basin in Nunavut, Canada. The Bugs Property, consisting of 11 mineral claims (approximately 11,000 hectares), was previously explored by Cominco Ltd. for uranium in the late 1970s. Ur-Energy can complete its earn in to obtain a 100% interest in the Bugs Property by issuing a balance of 50,000 common shares of the Company to the vendor, John D. Charlton. Ur-Energy acts as operator of the exploration programs on the property. The vendor retains a 2% Production Royalty which is subject to a buyout of 1% for \$1 million. Vice President of Canadian Exploration, Paul Pitman, states, *"The results of the program suggest that the Bugs project area has a very good potential for hosting an economic uranium deposit or possibly a variety of different types of uranium deposits. We are looking forward to working with the Government of Nunavut in moving our exploration forward on the Bugs Property."*

**Bugs Project, Nunavut**

The geology of the Bugs Property is dominated by uranium and thorium-enriched, ultrapotassic volcanic, sedimentary-derivative and intrusive rocks occupying a pull-apart basin. Several such north-easterly pull-apart basin structures make up the Baker Lake Basin.

The historic Cominco work outlined over 30 uranium bedrock and near-source boulder occurrences featuring three styles of uranium mineralization: (i) high-grade uranium in sedimentary and tuffaceous strata, (ii) uranium within hydrothermal breccias, and (iii) low-grade but extensive, mineralization hosted by intrusive syenitic bodies (bostonite). Historic results from the sediment and tuff boulder trains indicate as high as 6.8% and 7.3% U<sub>3</sub>O<sub>8</sub>, averaging 3.5% U<sub>3</sub>O<sub>8</sub>. The hydrothermal breccia occurrences returned up to 0.55% U<sub>3</sub>O<sub>8</sub>. Over 20 bostonite bodies were identified by Cominco. They are dyke-like with dimensions of up to 1km in length and up to 100m in width. Extensive sampling of the Bostonite intrusions returned consistent grades in the 200 to 400 ppm uranium range. The bostonite bodies are characterized by uranium:thorium ratios of 1:3 to 1:4. The sediment/tuff and hydrothermal mineralization contains negligible thorium.

Ur-Energy has recompiled all of the historic Cominco data in ArcGIS format. A fixed wing aeromagnetic and radiometric survey was flown over the entire property by Tundra Airborne Surveys. The data from this survey have been reprocessed using FastMag 3D™ normalized sections.

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***In 2007 Ur-Energy re-sampled the high-grade boulder area. New assays include values as high as 4.7% and 6.0% uranium.*** Sampling of several bostonite occurrences averaged 250 ppm uranium. Two of the larger bostonite intrusions (Shrike and Gamma) were prospected for strike lengths of 800m to 1km, respectively. Extensive RadonEx Ltd. radon surveys were successful in outlining poorly exposed bostonite occurrences over several kilometres in length. The radon surveys also located an area of extremely high radon flux which is interpreted by Ur-Energy to indicate a concentration of hydrothermal uranium mineralization – the Lowkey Lake Zone. This area will be one of the first priority drill targets.

All samples from Bugs Property were collected by Ur-Energy personnel under the direct supervision of John D. Charlton, P.Geo., a Qualified Person under National Instrument 43-101. They were transported to the Saskatchewan Research Council laboratory in Saskatoon in regulation sealed containers. The samples were analyzed for 46 elements using the ICP 4.3 total digestion method, and for 16 elements using the ICP 4.3R partial digestion method.

Limited drilling by Cominco in 1979 was unsuccessful in tracing the high-grade occurrences to depth. Ur-Energy attributes this to an over-emphasis on the stratigraphic as opposed to the hydrothermal aspect of the mineralization. Three holes, however, drilled through bostonite bodies contained an average of 225 ppm uranium with higher uranium values along wallrock contacts. This mineralization presents Ur-Energy with discovery potential of possible low-grade but high tonnage resources. The Rossing Mine in Namibia is one such example of uranium ores which are being mined at similar grades.

Interpretation of airborne magnetic and radiometric surveys resulted in the selection of seven targets based upon structural offset and dilation features in combination with magnetite depletion. Only one of the seven targets was examined in 2007; the remainder will be prospected and surveyed for their radon signatures in 2008.

Ur-Energy will apply for land use permitting in anticipation of its summer 2008 drilling program.. Anticipated targets include the Lowkey Lake Zone, the Gamma and Shrike bostonite bodies, and subsequent anomalies detailed from examination of the seven geophysical targets. Radon surveys combined with ground prospecting will be used to further define target areas prior to drilling.

### **Screech Lake Project, Northwest Territories**

On the Screech Lake exploration project in the Northwest Territories, Ur-Energy received notification that the Minister of Indian and Northern Affairs Canada has adopted the recommendation of the Mackenzie Valley Environmental Impact Review Board in respect to its project. As part of the decision, the Minister did confirm that the decision does not affect the legal standing of the Ur-Energy Screech Lake mineral claims. As announced back in May 2007, the Review Board recommended that Ur-Energy's application to conduct an exploratory drilling project at Screech Lake be rejected without an environmental impact review. Ur-Energy is disappointed and concerned with the adoption of the Review Board's recommendation and is reviewing the options available to it as a result of this decision including methods to move forward its exploration project at Screech Lake. Ur-Energy continues to believe, as confirmed by its respected environmental consultant, that the proposed exploration program maintains the highest possible environmental standards and had included extensive mitigation measures to ensure the drilling program would have a minimal short-term environmental impact and no long-term effect.

Bill Boberg, President and CEO, states, "*We are disappointed in the Minister's decision and will continue to pursue any and all approaches that will allow us to properly explore the project as soon*"

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as possible. As I have mentioned previously, it is important to keep in mind that Screech Lake is an early stage exploration project and this delay in our exploration at Screech Lake has no impact on our exploration and development activities in Wyoming as we continue to move our Lost Creek Project toward production. We will submit our Application for Permit to Mine to the U.S. Nuclear Regulatory Commission later this month.”

The Qualified Person for Ur-Energy’s Canadian projects as defined by National Instrument 43-101 is Paul Pitman, Vice President of Canadian Exploration.

Ur-Energy is a junior mining company completing mine planning and permitting activities to bring its Lost Creek Wyoming uranium deposit into production by 2009. The company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the corporation trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company’s website is at [www.ur-energy.com](http://www.ur-energy.com).

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## Ur-Energy Submits License Application to Nuclear Regulatory Commission

**Denver, Colorado** (Marketwire – October 31, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce that it has submitted its Application to the US Nuclear Regulatory Commission (“NRC”) for a Source Material License for its Lost Creek uranium production project. This license is the first stage of obtaining all necessary licenses and permits to enable the company to recover uranium via in situ recovery method at the Lost Creek project. The collection and compilation of the extensive environmental background data for the Application has taken more than two years. The NRC has indicated that the application review process can take up to 18 months to complete. Vice President of Mining and Engineering Wayne Heili stated, *“A great deal of effort by our staff and consultants went into preparing this License Application. We believe the application is technically sound and administratively complete. I anticipate a relatively smooth and efficient review process.”*

Next on the agenda is the Lost Creek Mine Permit Application to be submitted to the Wyoming Department of Environmental Quality (“WDEQ”). Individual mine unit applications for each well field will be submitted starting in 2008 to cover each individual mine unit or well field that will be produced on the Lost Creek Project. The Company is also completing its in-house engineering pre-feasibility study which is expected to be finalized next month. President and CEO Bill Boberg stated, *“This is a major milestone for the Company. We have been focused on completing this application for the past two years. The world class team of staff and consultants that we have assembled has done an outstanding job in completing this application and moving the project closer to production. The NRC staff has been extremely supportive and helpful throughout the entire application and we look forward to continuing to work with the NRC staff during the review process and to the receipt of our NRC license in early 2009. Our goal remains to start construction of our plant in early 2009, complete construction of Mine Unit #1 and to start production of uranium from Lost Creek later in 2009.”*



*URE's Wayne Heili and Bill Boberg hand-off Source Material License Application to the NRC's Dr. Charles L. Miller, Director, Office of Federal and State Materials and Environment.*

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## Ur-Energy Acquires 100% Ownership of RS Property in Wyoming

**Denver, Colorado** (Marketwire – November 8, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce its completion of acquiring 100% ownership of the seven unpatented mineral claims, land, exploration records, and other data related to the RS Project in the Great Divide Basin in Wyoming from Dalco, Inc. (“Dalco”). On July 20, 2005, the Company entered into a definitive agreement whereby the Company increased its interest in stages. Altogether the Company paid US\$325,000 and issued 325,000 common shares to Dalco, which will retain a production royalty of 3% on the total gross proceeds received by the Company on the sale of  $U_3O_8$  extracted from uranium ores located on the seven mineral claims acquired.

As part of the Dalco acquisition, the Company acquired the historic exploration database of more than 2,200 drill holes and accompanying drill logs, maps, cross sections, and miscellaneous data (including engineering tests and evaluations). At the present time, URE owns all the historic data for the RS project. During 2005, URE’s in-house geological team undertook detailed stratigraphic and sedimentological evaluations, as well as an evaluation of the uranium mineralization, utilizing the drill hole database. Because the historic data were developed prior to the common use of computers, the Company has put significant effort into converting it into digital form to enable more efficient exploration and resource evaluation.

The RS property was acquired from Geomet by Texasgulf in 1974 and held by Texasgulf until they returned the claims to Geomet in 1979 due to the falling price of uranium at the time. The RS deposit was discovered, drilled and evaluated by Texasgulf Inc. between 1974 and 1979. Because of significant changes in the price of uranium during this period, combined with the anticipation, prior to 1979, of even higher prices, Texasgulf conducted a variety of evaluations to define a range of resources on the project at various cutoff grades. This was common with uranium companies during that time as they expected higher future prices and made plans to estimate their gross uranium resource by conducting detailed uranium distribution studies. From 1977 to 1979, Texasgulf conducted a number of resource studies ranging from gross resource distribution studies to specific resource estimations based on the then current price of uranium. All resources calculated in Texasgulf’s reports on the RS project are historic and not NI43-101 compliant. As an example, a 1978 Texasgulf report (by Ed Dallin dated July 24, 1978) defined resources (presently considered as historic and not NI43-101 compliant) at RS as follows:

| <b>Cutoff Grade<br/>%<math>U_3O_8</math></b> | <b>Pounds <math>U_3O_8</math></b> | <b>Average Grade<br/>%<math>U_3O_8</math></b> |
|----------------------------------------------|-----------------------------------|-----------------------------------------------|
| 0.010%                                       | 34,319,000                        | 0.020%                                        |
| 0.025%                                       | 13,768,000                        | 0.038%                                        |
| 0.070%                                       | 1,921,000                         | 0.100%                                        |

In 1997, Dalco commissioned a resource study by Glen Culver which reported a resource (considered as historic and not NI43-101 compliant) of 1.4 million tons with an average grade of 0.084% containing 2.3 million pounds  $U_3O_8$ . Roscoe Postle Associates (RPA) in a June 15, 2005 NI43-101 report completed on Ur-Energy’s Great Divide Basin projects, deemed that these 1997 Dalco resources of 2.3 million pounds  $U_3O_8$  were most relevant in considering the most probable uranium resource at RS and have been referred to by URE as



“relevant historic resources”. RPA, in the same report, also suggested that the RS property had the potential to host “2 to 16 mt grading 0.04% to 0.1% U<sub>3</sub>O<sub>8</sub> containing 4 to 14 million pounds of uranium.” Note that these historic resources and the RPA estimation are not NI 43-101 compliant; it is the purpose of the current evaluation to enable Ur-Energy to better define the resource base at RS and calculate a resource that will be NI43-101 compliant and could be expected to be economically mined.

In addition to the seven unpatented mining claims acquired from Dalco that cover the majority of the historic mineralized area, the Company has staked an additional block of 275 unpatented mining claims to solidify its holdings within the project area, for a total land holding at RS of approximately 5,800 acres. The larger claim block has potential for the discovery of additional resources in the RS area.

The Company recently announced a plan to expand its 2007 drilling program to include drilling at the RS Project. This program will concentrate on extensions of the known mineralization trend. All permits have been received for the exploration drilling program from the Wyoming Department of Environmental Management and the U.S. Bureau of Land Management.

The RS Project area is located 13 miles north of Ur-Energy’s Lost Creek deposit where an In Situ Recovery (ISR) mine and a two million pound per year uranium ISR processing facility are being permitted. A well maintained road passes by both project areas.

Bill Boberg, P.Geo., the Company’s President and CEO, is the qualified person responsible for the preparation of the technical information in this document.

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## Ur-Energy Announces Third-Quarter Update Webcast

**Denver, Colorado** (Marketwire – November 9, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) will present a webcast on November 12, 2007 at 11 a.m. Eastern Time to review the Company’s progress in the last quarter. A question and answer session will follow the presentation.

To participate in the webcast, use the following link:

<http://events.onlinebroadcasting.com/urenergy/111207/index.php>

To dial-in to the webcast, use the following contact numbers:

Local/International: (416) 915-9609  
North American Toll-Free: (866) 214-7205

Ur-Energy is a junior mining company completing mine planning and permitting activities to bring its Lost Creek Wyoming uranium deposit into production in 2009. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the Company trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company’s website is at [www.ur-energy.com](http://www.ur-energy.com).

### FOR FURTHER INFORMATION, PLEASE CONTACT:

Dani Wright, Manager, Investor/Public Relations  
1-720-981-4588, ext. 242  
1-866-981-4588  
[dani.wright@ur-energyusa.com](mailto:dani.wright@ur-energyusa.com)

Bill Boberg, CEO and President  
1-720-981-4588, ext. 223  
1-866-981-4588  
[bill.boberg@ur-energyusa.com](mailto:bill.boberg@ur-energyusa.com)

*This release may contain forward-looking statements regarding capital and processing cost estimates, production rates, amounts, timetables and methods, mining methods, metallurgical recovery rates, government permitting timetables and strategic plans and are based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and other costs varying significantly from estimates, production rates, methods and amounts varying from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in development and other factors. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward looking statements. The forward-looking statements contained herein are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances.*

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**Ur-Energy Meets Second Major Milestone – Files Applications for  
In Situ Permit to Mine and License to Mine with State of Wyoming**

**Denver, Colorado** (Marketwire – December 20, 2007) **Ur-Energy Inc (TSX:URE)** (“Ur-Energy” or “the Company”) is pleased to announce that its wholly-owned subsidiary, Lost Creek ISR, LLC, today submitted an Application for In Situ Permit to Mine and Application for License to Mine to the State of Wyoming Department of Environmental Quality Land Quality Division (WDEQ) for its Lost Creek Project in northeastern Sweetwater County, Wyoming.

The applications are the culmination of more than two years of baseline data collection, scientific review, and writing by Ur-Energy employees and numerous contractors directed by AATA International, Inc. Greater than 300 years of combined direct uranium recovery experience was drawn upon for the completion of the final application consisting of five volumes of information.

“The submittal of our Permit to Mine Application to the WDEQ represents the second major permit application submitted to regulatory agencies for the Lost Creek Project; the first, of course, being the NRC Source and Byproduct Material License Application,” stated President and CEO Bill Boberg. “Ur-Energy is focused on staying the course, meeting its objectives and becoming the next uranium producer in Wyoming.”

The Lost Creek Project consists of approximately 4,220 acres of land held through US Bureau of Land Management Uranium Lode Mineral Claims and a State of Wyoming Land Lease. NI 43-101 Compliant Resources for the project show indicated resources to be 8.5 million tons @ 0.058% (9.8 million pounds U<sub>3</sub>O<sub>8</sub>) and inferred resources of 0.7 million tons @ 0.076% (1.1 million pounds U<sub>3</sub>O<sub>8</sub>). There is additional potential to increase resources through drilling. Ur-Energy aims to be producing the Lost Creek deposit in the 4<sup>th</sup> Quarter of 2009. The Lost Creek Project is the first of several Wyoming projects Ur-Energy plans on placing into production.

The Qualified Person for Ur-Energy Inc, as defined by National Instrument 43-101, is W. William Boberg, President and CEO.

Ur-Energy is a junior uranium mining company completing mine planning and permitting activities to bring its Lost Creek Wyoming uranium deposit into production in 2009. The Company is also engaged in the identification, acquisition and exploration of uranium properties in both Canada and the United States. Shares of the Company trade on the Toronto Stock Exchange under the symbol URE. Ur-Energy has a registered corporate office in Ottawa, Canada and bases its headquarters in Littleton, Colorado. The Company’s website is at [www.ur-energy.com](http://www.ur-energy.com).

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A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta, Manitoba and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

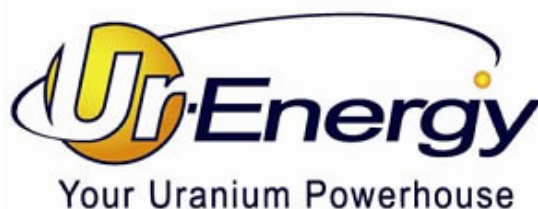
This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. **No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.** The securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in accordance with the Underwriting Agreement (as defined herein) and pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of these securities within the United States. See "Plan of Distribution."

**Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, Telephone: (613) 692-7704 and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PRELIMINARY SHORT FORM PROSPECTUS

New Issue

April 23, 2007



### UR-ENERGY INC.

**\$72,000,500**

**15,158,000 Common Shares**

This short form prospectus qualifies the distribution (the "Offering") of 15,158,000 common shares (the "Common Shares") of Ur-Energy Inc. (the "Company" or "Ur-Energy"). The offering price of the Common Shares was determined by negotiation between the Company and GMP Securities L.P., Raymond James Ltd., Canaccord Capital Corporation and Cormark Securities Inc. (collectively, the "Underwriters").

The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "URE". On April 16, 2007, the last trading day prior to the public announcement of the Offering, the closing price of the common shares on the TSX was \$4.86. The Company has applied to list the Common Shares on the TSX. Listing of the Common Shares will be subject to fulfilling all of the requirements of the TSX.

|                      | <b>Price: \$4.75 per Common Share</b> |                          | <b>Net Proceeds to the Company<sup>(1)(2)</sup></b> |
|----------------------|---------------------------------------|--------------------------|-----------------------------------------------------|
|                      | <b>Price to the Public</b>            | <b>Underwriters' Fee</b> |                                                     |
| Per Common Share     | \$4.75                                | \$0.285                  | \$4.465                                             |
| Total <sup>(2)</sup> | \$72,000,500                          | \$4,320,030              | \$67,680,470                                        |

Notes:

- (1) Before deducting expenses of the Offering estimated at \$300,000, which, together with the Underwriters' fee, will be paid by the Company out of the proceeds of the Offering.

(2)

The Company has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable for a period of 30 days following the closing date of the Offering, to purchase up to an additional 2,273,000 common shares at a price of \$4.75 per share for market stabilization and to cover over-allotments, if any. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the common shares to be issued or sold upon the exercise of the Over- Allotment Option. Unless the context otherwise required, reference herein to the "Offering" and "Common Shares" assumes the exercise of the Over-Allotment Option. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' fee and net proceeds to the Company will be \$82,797,250, \$4,967,835 and \$77,829,415, respectively. See "Plan of Distribution".

| <b>Underwriters' Position</b> | <b>Maximum number of securities held</b> | <b>Exercise period</b>    | <b>Exercise price</b> |
|-------------------------------|------------------------------------------|---------------------------|-----------------------|
| Over-allotment Option         | 2,273,000                                | 30 days from Closing Date | \$4.75 per share      |

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and delivered and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by McCarthy Tétrault LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

Subscriptions for the Common Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about May 10, 2007 or such earlier or later date as the Company and the Underwriters may agree, but in any case not later than May 24, 2007. Definitive certificates representing the Common Shares will be available for delivery at the closing of the Offering. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the common shares of the Company at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

**Prospective purchasers of the Common Shares should carefully consider the risks and uncertainties described or referred to under "Risk Factors".**

The head and registered office of the Company is 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3.

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## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of the Company at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, Telephone: (613) 692-7704. A copy of the permanent information record may be obtained from the Chief Financial Officer of the Company at the above-mentioned address and telephone number. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval (“SEDAR”) which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents filed with the securities commissions or similar regulatory authorities in each of British Columbia, Alberta, Manitoba and Ontario are specifically incorporated by reference in, and form an integral part of, this short form prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus:

- (a) the annual information form of the Company for the year ended December 31, 2006 dated March 21, 2007 (the “AIF”);
- (b) the audited comparative consolidated financial statements of the Company as at and for the year ended December 31, 2006, together with the notes thereto and the auditors’ report thereon;
- (c) management’s discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2006; and
- (d) the management information circular of the Company dated April 12, 2007 relating to the annual and special meeting of shareholders of the Company to be held on May 18, 2007.

Any documents of the type referred to above (except confidential material change reports) filed by the Company with the various securities commissions or similar regulatory authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

**Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. Information on any of the websites maintained by the Company does not constitute a part of this prospectus.**

## CURRENCY

Unless otherwise specifically stated herein, all references to “\$” and “dollars” are to Canadian currency.

## NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus, including any documents incorporated by reference herein, contains certain “forward-looking statements”. All statements included in this short form prospectus (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: future targets and estimates for production, 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, and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “contemplate”, “target”, “believe”, “plan”, “estimate”, “expect”, and “intend” and statements that an event or result “may”, “will”, “can”, “should”, “could” or

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“might” occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management’s expectations is subject to a number of risks and uncertainties, including the considerations discussed under “Risk Factors” and elsewhere in this short form prospectus, in any documents incorporated by reference herein and in other documents filed from time to time by the Company with Canadian securities regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Company’s control. These factors should not be construed as exhaustive and may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. All of the forward-looking statements made in this short form prospectus and any documents incorporated by reference herein are qualified by the foregoing cautionary statements. Such forward-looking statements are made as of the date of this short form prospectus, or in the case of documents incorporated by reference herein, as of the date of such document, and the Company expressly disclaims any obligation to update or revise any such forward-looking statements.

### ELIGIBILITY FOR INVESTMENT

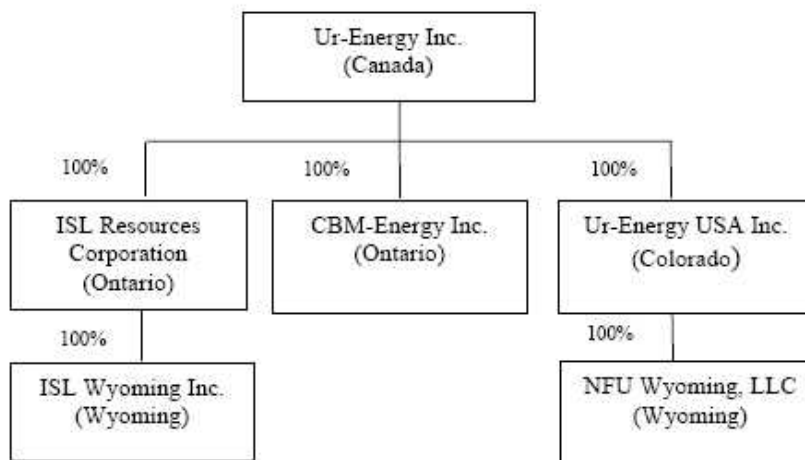
In the opinion of McCarthy Tétrault LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, provided the Common Shares are listed on a prescribed stock exchange in Canada (within the meaning of the Income Tax Act (Canada) (the “Tax Act”) and which currently includes the TSX), the Common Shares would be, if issued on the date hereof, a qualified investment within the meaning of the Tax Act for trusts governed by registered retirement savings plans, registered education savings plan, registered retirement income funds and deferred profit sharing plans.

### THE COMPANY

The Company is a corporation continued under the *Canada Business Corporations Act* (“CBCA”). The head and registered office of the Company is at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3. The Company’s United States headquarters is at 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127.

#### Intercorporate Relationships

The Company’s direct and indirect subsidiaries are Ur-Energy USA Inc. (“Ur-Energy USA”), NFU Wyoming, LLC, ISL Resources Corporation, CBM-Energy Inc. and ISL Wyoming Inc. Set out below are the jurisdictions in which they are incorporated or organized.





As used in this prospectus, unless the context otherwise requires, references to the "Company" or "Ur-Energy" means Ur-Energy Inc. and its subsidiaries.

## **Business of the Company**

The Company is a junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Ur-Energy is completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production which is expected to start in early 2009. The Company is also engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, and development of uranium projects in the United States. The Company's operations comprise one reportable segment within two geographic areas.

In the United States, the Company has staked claims and/or leased lands in Wyoming and in South Dakota. In Wyoming, the Company controls eleven properties covering 14,642 hectares (36,180 acres). Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin.

In 2007, exploration programs are planned for the Radon Springs, Eagles Nest and North Hadsell projects in the Great Divide Basin, Wyoming.

In South Dakota, the Company's subsidiary NFU Wyoming, LLC was the successful bidder on 79 State of South Dakota Mineral Leases. These 79 Mineral Leases contain approximately 46,363 acres in Harding County, Northwest South Dakota. A detailed geologic evaluation of the project area is underway and a drilling program is tentatively planned for later 2007. Exploration drilling for uranium in this region has been very limited. An evaluation of Ur-Energy's extensive historic database suggests potential for uranium discoveries in the region.

In Canada, the Company has staked claims in the Thelon Basin in the Northwest Territories and in the Hornby Basin in Nunavut. The Thelon Properties are comprised of three claim groups including the Screech Lake project. The Hornby Basin Properties are comprised of two claim groups: Mountain Lake and Dismal West. The Bugs Property is located in the Kivalliq region in Nunavut.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation with respect to its Mountain Lake and West Dismal properties. At Mountain Lake, Ur-Energy holds 41 claims covering about 38,545 hectares (95,242 acres) that adjoin 8 claims held by Triex. The Triex ground hosts the Mountain Lake Deposit, the largest uranium deposit found to date in the Hornby Bay Basin. Near the west end of Dismal Lakes, Ur-Energy's Property comprises two groups of 17 mineral claims totaling approximately 13,920 hectares (34,400 acres). The claim groups cover part of an historic field of uranium mineralized boulders located 40 kilometres northwest of the Mountain Lake deposit.

The Company is actively pursuing future growth opportunities by evaluating the acquisition of exploration, development or production assets as well as considering joint venture projects for existing properties of the Company. The Company is currently engaged in discussions with respect to such possible opportunities. At any given time, discussions and activities can be in process on a number of initiatives, each at different stages of development. Although the Company may from time to time be a party to a number of letters of intent in respect of certain joint ventures opportunities and other acquisitions, the Company 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. As of the date of this short-form prospectus, the Company has allocated \$14 million of the proceeds of the Offering toward potential acquisitions. Use of these proceeds is at the discretion of the management of the Company.

Other than as discussed in this prospectus, the business of the Company and details of its mineral properties are disclosed in the Company's public disclosure record and material explicitly incorporated by reference into this prospectus. The Company commissioned Stewart Wallis (P. Geo) of Scott Wilson Roscoe Postle Associates Inc. (formerly, Roscoe Postle Associates Inc.) ("RPA") to prepare technical reports which comply with the requirements imposed by National Instrument 43-101: "Standards of Disclosure for Mineral Projects", for the Great Divide Basin project updated by additional technical reports on the Lost Soldier and Lost Creek projects, the Shirley Basin project, and the Kaycee and

Shamrock projects, and J.D. Charlton (P. Geo) of Charlton Mining Exploration Inc. to prepare such technical reports for the Thelon Project and the Hornby Project.

#### **United States - Wyoming**

Ur-Energy's key priority is to advance its two main Wyoming properties, the Lost Creek and Lost Soldier projects (located in the Great Divide Basin) into production. Achievement of this overall objective depends upon the successful completion of the various milestones. Successful completion of many of these milestones and their expected timing is dependent on the successful completion of earlier milestones. Delays or failure to complete earlier milestones would result in delays or failure to complete later milestones. The key milestones are as follows:

- completion of environmental and permitting studies (commenced in the third quarter 2005 and ongoing through 2007);
- completion of comprehensive and detailed geologic reports for Lost Creek and Lost Soldier projects to be used in the engineering studies (to be completed in the second quarter of 2007);
- completion of feasibility pump tests and related hydrology studies (commenced second quarter 2006 for expected completion in third quarter 2007);
- completion of engineering studies on the projects (commenced second quarter 2006 and ongoing through 2008);
- completion of toll-milling business arrangement for processing of ion-exchange resin from the projects (expected in fourth quarter of 2007);
- completion of mining pre-feasibility studies for Lost Creek project (expected by mid-2007) and final feasibility studies (expected by first quarter of 2008);
- completion of mining pre-feasibility studies for Lost Soldier (expected by fourth quarter of 2007) and final feasibility studies (expected in fourth quarter of 2008);
- completion of all baseline studies and environmental studies for Application for Permit to Mine for Lost Creek and Lost Soldier projects (expected second quarter 2007);
- completion of Application for Permit to Mine on Lost Creek and NRC License Applications (expected in the third quarter of 2007);
- completion of Application for Permit to Mine on Lost Soldier and NRC License Applications (expected in fourth quarter of 2008);
- completion of engineering feasibility studies and the economic evaluation of building a full centralized *in situ* resource (ISR) processing plant at Lost Creek (expected to commence first quarter of 2008); and
- commence installation of first production wellfields at Lost Creek project (expected fourth quarter 2008).

Since the completion of the technical report for the Lost Creek Property, Wyoming dated June 15, 2006 prepared by Stewart Wallis of RPA (the "Technical Report – Lost Creek"), the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archaeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including wellfield layouts, hydraulic analysis and deep disposal well(s) by Petrotek Engineering Corporation;
- completion of baseline water quality sampling for three consecutive quarters from the monitoring wells;

- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- aquifer test analysis report completed by Hydro-Engineering, LLC; and
- planning and permitting a three rig drilling program to start development work in April 2007 with installation of 58 internal monitoring wells within the First Mine Unit and 70 delineation drill holes plus obtaining additional core samples for column leach tests and permeability tests.

Since the completion of the technical report regarding the Lost Soldier Property, Wyoming dated July 10, 2006 prepared by Stewart Wallis at RPA (the "Technical Report - Lost Soldier"), the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archaeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including deep disposal well(s) by Petrotek Engineering Corporation;
- initiation of selected engineering studies by Pincock, Allan & Holt;
- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- hydrologic stress testing report completed by Leppert Associates; and
- baseline water quality sampling for three consecutive quarters from the monitoring wells.

#### **Canada –Northwest Territories and Nunavut**

##### *Hornby Bay Basin Properties*

The Hornby Bay Basin Properties are grass roots project in the Proterozoic Hornby Bay Basin, which straddles the Nunavut/Northwest Territories boundaries east of Great Bear Lake. The project area is associated with significant radiometric anomalies and a high-grade boulder train. One of the two claim groups encompasses Triex Minerals' Mountain Lake project which hosts the PEC uranium deposit.

##### *Thelon Properties*

The Thelon Basin Properties are grass roots projects located on crown land which the Company believes have potential for discovery of high-grade unconformity uranium deposits of the Athabasca style. The claims are situated in the Thelon Basin located in the Northwest Territories. The Thelon Basin is host to the undeveloped Kikkavik-Andrew Lake and End deposits.

Potential high-grade uranium at the unconformity on the Screech Lake claim group is indicated by high surface radon and radiogenic helium gases in soils and radioactive groundwaters in lake bottom springs. Airborne MEGATEM® surveys and ground electromagnetic surveys confirm a very low resistivity zone underlying the anomalous surface conditions at and above the unconformity contact. This strong basement electromagnetic conductor is interpreted to be due to clay alteration just above the unconformity. In July 2006, an environmental screening study was completed on the Screech Lake Project. Current work plans include further surface radon sampling, additional ground geophysical surveys and drilling.

Since the completion of the technical report dated February 25, 2005 and updated June 22, 2005 and October 20, 2005 on Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project located in the Northwest Territories, Canada prepared by John D. Charlton, P. Geo (the "Technical Report – Thelon Property"), certain components of the recommended work program have been undertaken and/or completed as follows:

In mid 2005, Aurora Geosciences Ltd. completed a ground PROTEM 57 electromagnetic survey and ground magnetic and VLF surveys over the Screech Property and Fugro Airborne Surveys completed a MegaTEM airborne electromagnetic and magnetic survey over the entire Screech Property. In addition, the Company completed an EIC (electret ion chamber) radon sampling and prospecting exploration program on the Screech Property. Condor Consulting completed a processing and analysis of the MegaTEM survey data for the Screech Property in April 2006.

In mid 2006, Aurora Geosciences Ltd. completed further ground PROTEM 57, magnetic, and VLF-EM surveys, extending the review of the Screech Property southward and eastward including the southeast anomaly. A ground exploration program was also completed, the principal components of which, were ground radon flux monitor (RFM) surveys and ground radon-in-air (RIA) surveys utilizing field-adapted electret ion chamber (EIC) radon measurement technologies. Highly anomalous radon concentrations and trends were 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 Property.

The Company contracted Golder Associates ("Golder") to facilitate the land use permit application process and to complete an environmental benchmark study at the Screech Property. Following community consultations with the Lutsel K'e Dene and the Fort Resolution Dene, the company and Golder re-applied for a Land Use Permit on July 13, 2006. In August 2006, Golder completed the benchmark environmental study and the Company conducted a community site visit to the Screech Property with representatives of Lutsel K'e. During September 2006, the land use permit application was referred to the Mackenzie Valley Environmental Impact Review Board ("MVEIRB") for environmental assessment. In January 2007, MVEIRB held hearings on the Screech Project at Lutsel K'e. The environmental assessment was completed on February 28, 2007 and a report from the MVEIRB is anticipated in April 2007. During the period prior to the receipt of a land use permit, the Screech Property exploration program can proceed up to, but not including, the drilling phase.

The Company anticipates that upon receipt of the Land Use Permit, that it will commence a Phase II work program which will include 3,400 m of exploratory diamond drilling and subsequent down-hole surveys to test selected high priority targets. Additionally, a ground geophysical coverage of the southwestern part of the Screech Property will be conducted.

#### *Bugs Property*

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares of the Company to the vendor over a two year period. Upon signing, 10,000 common shares of the Company were issued to obtain an initial 12% interest in the property. On the first anniversary of the agreement 25,000 common shares of the Company are issuable for an additional 30% interest and on the second anniversary 50,000 common shares of the Company are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

High-grade uranium mineralization was discovered south of Nowleye Lake in the summer of 1976 during a geological reconnaissance/prospecting program carried out by Cominco Ltd. Cominco staked the (Bugs) property and completed exploration work programs on it over the ensuing four years. This work included prospecting, geological mapping, sampling, local ground magnetic and VLF-EM surveys, local track-etch radon surveys, and borehole drilling. Cominco also completed petrologic, rock geochemical, autoradiographic, and age dating studies on suites of Bugs rocks. During the summer of 1979 a total of 1,998 metres of drilling in 23 holes was completed on four separate showing areas on the Bugs Property. Three types of uranium mineralization are recognized on the Bugs Property.

A fixed wing airborne radiometric and magnetic survey was completed over the entirety of the Bugs Property by TundraAir Inc. in September 2006 and the information obtained from the survey is being utilized for the 2007 work program.

## **Recent Developments**

On January 3, 2007, Gary Huber was appointed as a director of the Company.

On February 19, 2007, the Company appointed Wayne Heili as Vice President, Engineering. Mr. Heili will head up the Casper, Wyoming production office and engineering team. Mr. Heili will be responsible for directing the completion of the mining feasibility studies and the development of the Lost Creek and Lost Soldier projects.

On April 11, 2007, the Company announced that it started a three rig drilling program as part of a mining feasibility study at its Lost Creek in-situ recovery uranium project. The purpose of the 2007 Phase I drilling program is to install monitor and pump test wells in order to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies. This information will form part of the Wyoming Department of Environmental (WDEQ) Permit to Mine application, the US Nuclear Regulatory Source Material License application and the WDEQ Mine Unit #1 Permit application. At Lost Soldier, engineering feasibility studies are underway and geologic and hydrologic data from the 2006 drilling program of 17 pump test and monitoring wells is being evaluated. Engineering feasibility studies and applications for permits to mine for Lost Soldier will be assembled and submitted following the completion and submittal of the Lost Creek mine application. Within the Great Divide Basin, the Company's exploration staff is developing exploration drilling programs for 2007 at its Radon Springs, North Hadsell and Eagles Nest properties in order to generate additional resources for Ur-Energy's future production pipeline.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2006 after giving effect to the Offering, but not the exercise of the Over-Allotment Option. See "Use of Proceeds". This table should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2006, together with the notes thereto, contained, or incorporated by reference, in this short form prospectus.

|                                       | As at December 31, 2006<br>(Actual)       | As at December 31, 2006 after<br>giving effect to the Offering <sup>(1)</sup><br>As Adjusted<br>(unaudited) |
|---------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| New Frontiers Uranium, LLC obligation | \$ 14,713,495                             | \$ 14,713,495                                                                                               |
| Common shares                         | \$ 59,236,406                             | \$ 126,616,876                                                                                              |
|                                       | (73,475,052 common<br>shares outstanding) | (88,633,052 common<br>shares outstanding)                                                                   |
| Warrants                              | 45,604                                    | 45,604                                                                                                      |
| Contributed surplus                   | 2,678,341                                 | 2,678,341                                                                                                   |
| Deficit                               | (6,018,383)                               | (6,018,383)                                                                                                 |
| Total Shareholders' Equity            | 55,941,968                                | 123,322,438                                                                                                 |
| Total Capitalization                  | \$ 70,655,463                             | \$ 138,035,933                                                                                              |

(1) After deducting the Underwriters' fees and expenses of the Offering.

### DESCRIPTION OF THE COMMON SHARES

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of Class A Preference Shares, issuable in series. As of April 20, 2007, there are 74,100,239 common shares and no Class A Preference Shares issued and outstanding. The holders of the common shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of common shares are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

The Company'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 of the Company.

## USE OF PROCEEDS

The net proceeds to the Company of the Offering after deducting the Underwriters' fee and expenses of the Offering (assuming that the Underwriters do not exercise the Over-Allotment Option) are estimated to be approximately \$67,380,000. The net proceeds of the Offering will be used primarily for the further development of the Lost Creek and Lost Soldier projects, for exploration of existing and potential new uranium projects in the United States, for potential acquisitions in the United States and Canada and for general corporate purposes.

The Company expects that existing cash on hand will be sufficient to fund components of the Lost Creek and Lost Soldier project development costs including engineering feasibility studies, completion of the permitting process, submission of Applications for Permit to Mine Lost Creek and Lost Creek Mine Unit #1, the installation of monitor wells for the Lost Creek Mine Unit #1 and additional hydrology tests at both the Lost Creek and Lost Soldier projects which total approximately \$7,000,000. Additionally, it is estimated that existing cash on hand is sufficient to fund planned exploration and land acquisition costs for United States projects of approximately \$2,000,000 and to fund approximately \$2,500,000 with respect to exploration of Canadian projects.

For the Lost Creek project the Company expects to receive its basic Permit to Mine and Permit to Mine at Lost Creek Mine Unit #1 in late 2008. On receipt of these permits, the Company will plans to start development of the first wellfield in late 2008 or early 2009. Net proceeds of the Offering will be utilized for the development of the first wellfield and the construction of a full centralized ISR processing plant estimated to cost approximately \$35,000,000.

For the Lost Soldier project during 2008, the Company estimates that it will utilize approximately \$5,600,000 of the net proceeds of the Offering to advance the final feasibility study and pre-development engineering studies in preparation for production planning.

For existing and potential exploration projects in the United States, the Company estimates that it will utilize approximately \$3,800,000 on exploration and economic resource evaluations for the Radon Springs, North Hadsell and Eagles Nest projects, each in the Great Divide Basin of Wyoming. It is estimated that, approximately \$1,900,000 will be utilized to fund exploration on the Company's projects in the Shirley Basin, in other areas of Wyoming, and in South Dakota. The Company also estimates that it will utilize approximately \$1,700,000 for exploration of potential new projects on the Colorado Plateau.

During 2007 and 2008, the Company estimates that it will utilize approximately \$14,000,000 of the net proceeds of the Offering for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada. There are no definitive plans for the expenditure of these funds as of the date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See "Risk Factors – Unallocated Proceeds of the Offering".

The Company estimates that it will utilize approximately \$5,380,000 of the net proceeds of the Offering for general corporate purposes. There are no definitive plans for the expenditure of these funds as of the date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See "Risk Factors – Unallocated Proceeds of the Offering".

The estimated use of the net proceeds of the Offering set out above is subject to the completion of feasibility studies for the Lost Creek and Lost Soldier projects that have been initiated, but not yet completed, and on the timely receipt of required permits from the WDEQ, the US Nuclear Regulatory Commission and various other federal and state agencies that the Company deals with in moving these projects toward production. The estimates set out above are based on detailed geologic, engineering and environmental studies completed by the Company and its contractors to date. A qualified person within the meaning of National Instrument 43-101, W. William Boberg, President and Chief Executive Officer of the Company, has been involved in the preparation of this work plan and believes it to be reasonable. The actual use of the net proceeds of the Offering may vary depending on changing business and technical circumstances.

While the Company intends to use the net proceeds as stated above, there may be circumstances where a reallocation of funds may be advisable for business reasons that management believes are in the best interest of the Company.

## PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Underwriting Agreement") dated April 23, 2007 between the Underwriters and the Company, the Company has agreed to sell and the Underwriters have severally agreed to purchase on May 10, 2007 or on such earlier or later date as the Underwriters and the Company may agree but in any event not later than May 24, 2007 (the "Closing Date") subject to the terms and conditions contained therein, all but not less than all of the 15,158,000 Common Shares offered hereby for total consideration of \$72,000,500 payable to the Company against delivery of certificates representing the Common Shares. The Underwriting Agreement provides that the Company will pay to the Underwriters a cash fee of 6% of the gross proceeds of the Offering in consideration for the services of the Underwriters in connection with the Offering. The terms of the Offering have been determined by negotiation between the Company and the Underwriters.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable for a period of 30 days following the closing date of the Offering, to purchase up to an additional 2,273,000 common shares at a price of \$4.75 per share to cover over-allotments, if any. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares to be issued or sold upon the exercise of the Over-Allotment Option. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' fee and net proceeds to the Company will be \$82,797,250, \$4,967,835 and \$77,829,415, respectively.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are however, obligated to take up and pay for 15,158,000 Common Shares offered hereby if any such Common Shares are purchased under the Underwriting Agreement. If any of the Underwriters fails to purchase the Common Shares which such Underwriter(s) have agreed to purchase, the other Underwriters who are willing and able to purchase their own applicable percentages of the Common Shares shall be relieved of their obligations under the Underwriting Agreement, provided that any one or more of the Underwriters may, but are not obligated to, purchase the Common Shares not purchased by the refusing Underwriter(s).

The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain liabilities or contribute to payments that the Underwriters may be required to make in respect of those liabilities.

Definitive certificates representing the Common Shares will be available for delivery at closing of the Offering.

The Company has applied to list the Common Shares offered hereby on the TSX. Listing will be subject to fulfilling all of the requirements of the TSX.

During a period ending 90 days following the date of closing of the Offering, the Company has agreed, subject to certain exceptions, that it will not offer, sell, distribute or issue for sale any common shares or securities convertible or exercisable for common shares, or agree to or announce any such offer, sale, distribution or issuance, without the prior written consent of GMP Securities L.P., on behalf of the Underwriters.

Pursuant to policy statements of the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase common shares of the Company. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the common shares of the Company. Such exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws in connection with the Offering, the Underwriters may over-allot Common Shares or effect transactions intended to stabilize or maintain the market price of the common shares of the Company at a higher level than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time during the Offering.

The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. However, the Underwriting Agreement permits the Underwriters to offer the Common Shares for sale by the Company to substituted purchasers in the United States that are institutional



accredited investors that satisfy the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act ("Regulation D"), pursuant to and in accordance with Rule 506 of Regulation D. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Common Shares outside the United States only in accordance with Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of the Offering, any offer or sale of Common Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

## **RISK FACTORS**

The business of the Company is subject to a variety of risks, including those described in the AIF and the other documents incorporated by reference herein and those additional risks described below.

### **Exploration and Development Stage Company**

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and development stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company'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 even 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. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine some of the Company'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 Company's control including international, economic and political trends, 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 Company's properties, cannot accurately be predicted. As the Company is only 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.

### **Uranium Market Factors**

The marketability of uranium is subject to numerous factors beyond the control of the Company. The price of uranium may experience volatile and significant price movements over short periods of time. Factors affecting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, 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.

## **No Current Mineral Reserves**

Calculations of mineral resources and metal recovery are only estimates, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined. While we have mineral resources, we currently do not have any 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 stripping ratio may affect the economic viability of our properties.

## **Management, Dependence on Key Personnel, Contractors and Service Providers**

Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified employees, contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company's business and operations.

## **Industry Conditions**

The exploration for and development of mineral deposits involve significant risks which even 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 ore 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 Company 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 Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company'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.

## **Value of the Common Shares**

The value of the Company's common shares, could be subject to significant fluctuations in response to variations in quarterly and yearly operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors. These fluctuations may affect the value of the Company's common shares.

## **Competition**

The international uranium industry is highly competitive. The Company's activities are directed towards the search, evaluation and development of uranium deposits. There is no certainty that the expenditures to be made by the Company 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 Company 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 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.

#### **Additional Funding**

Additional funds may be required for future exploration and development. The source of future funds available to the Company 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 Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders of the Company.

#### **Lack of Earnings and Dividend Record**

The Company 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 Company after taking into account many factors, including our financial condition and current and anticipated cash needs.

#### **The Impact of Hedging Activities on Profitability**

Although the Company 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 Company 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.

#### **Environmental Risk and Compliance with Environmental Regulations Which are Increasing and Costly**

Environmental legislation 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 our intended activities, and expose us to litigation. These authorities may require us to prepare and present data pertaining to the effect or impact that any proposed exploration for or production of minerals may have upon the environment. The requirements imposed by any such authorities may be costly, time consuming, and may delay operations. Future legislation and regulations designed to protect the environment, as well as future interpretations of existing laws and regulations, may require substantial increases in equipment and operating costs and delays, interruptions, or a termination of operations. We cannot accurately predict or estimate the impact of any such future laws or regulations, or future interpretations of existing laws and regulations, on our operations. Historic mining activities have occurred on certain of our 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.

#### **Title to Property Can be Uncertain**

Although the Company 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 Company's interests. The

Company's mineral properties in the United States consist of private mineral rights, leases covering state and private lands, leases of patented mining claims, and unpatented mining claims. Many of our mining properties in the United States are unpatented mining claims to which the Company 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 Company's unpatented mining claims located on public lands allows the Company the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Company 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 Company 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 Company has or will take all curative measures to ensure proper title to its properties where necessary and where possible.

### **Land Claims**

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. No assurance can be provided that the Company's properties may not be the subject of such claims in the future.

### **Uninsured Hazards**

The Company currently carries insurance coverage for general liability, directors' and officers' liability and other matters. The Company intends to carry insurance to protect against certain risks in such amounts as it considers adequate. The nature of the risks the Company 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 Company's business and financial position.

### **Conflicts of Interest**

Certain directors of the Company 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 Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company 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.

### **Permits, Licences and Approvals**

The operations of the Company may require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences 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 their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

### **Regulatory Matters**

The Company's business is subject to various federal, state, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine 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 rehabilitate 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. There can be no assurance that the Company 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 prohibit the Company from proceeding with certain exploration and development.

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. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact the Company'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 our financial performance.

### **Deregulation of the Electrical Utility Industry**

The Company'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.

### **Unallocated Proceeds of the Offering**

As of the date of this short form prospectus, the Company has no definitive plans for the expenditure of certain proceeds of the Offering. \$14,000,000 million has been allocated for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and \$5,380,000 million has been allocated for working capital and general corporate purposes. All such potential acquisitions and expenditures of the net proceeds in connection with working capital and general corporate purposes shall be at the sole discretion of the management of the Company, and there can be no assurance as of the date of this short form prospectus as to how such funds will be expended. The Company is not a party to any definitive agreement in respect of strategic investments or acquisitions and no assurance can be given that such agreements will ever be entered into and in such events the use of proceeds allocated to potential acquisitions will be at the sole discretion of the management of the Company.

### **United States Tax Risks Associated with Investments in the Company**

Potential investors that are United States taxpayers should consider that the Company could be considered to be a "passive foreign investment company" ("PFIC") for United States federal income tax purposes. If the Company were deemed to be a PFIC, then a United States taxpayer who disposes or is deemed to dispose of our common shares at a gain, or who received a so-called "excess distribution" on the common shares of the Company, generally would be required to treat such gain or excess distribution as ordinary income and pay an interest charge on a portion of the gain or distribution unless the taxpayer makes a timely qualified electing fund election (a "QEF" election). A United States taxpayer who makes a QEF election generally must report on a current basis his or her share of any of the Company ordinary earnings and net capital gain for any taxable year in which the Company is a PFIC, whether or not the Company distributes those earnings. Special estate tax rules could be applicable to the Company's common shares if the Company is classified as a PFIC for United States income tax purposes.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, 99 Bank Street, Suite 700, Ottawa, Ontario, K1P 1K6, Canada.

The transfer agent and registrar for the common shares is Equity Transfer and Trust Company, 120 Adelaide St. W., Suite 420, Toronto, Ontario, M5H 4C3, Canada.

## **LEGAL MATTERS**

Certain legal matters relating to the Offering will be passed upon by McCarthy Tétrault LLP on behalf of the Company and by Cassels Brock & Blackwell LLP on behalf of the Underwriters. The partners, counsel and associates of McCarthy Tétrault LLP and Cassels Brock & Blackwell LLP, each as a group, beneficially own, directly or indirectly, less than one percent of the outstanding common shares.

## **INTERESTS OF EXPERTS**

None of the directors, officers, principals and associates of Scott Wilson Roscoe Postle Associates Inc. (formerly Roscoe Postle Associates Inc.), the author of the Company's technical reports under National Instrument 43-101 for the Great Divide Basin Project, the Shirley Basin Project, and the Kaycee and Shamrock Projects, the Technical Report –Lost Creek and Technical Report – Lost Soldier (together, the "Reports") owned beneficially, directly or indirectly, or exercise any control over, any of the outstanding common shares of the Company as of the date of the Reports.

As of April 20, 2007, J. D. Charlton, P. Geo., of Charlton Mining Exploration Inc., the author of the Company's technical reports under National Instrument 43-101 for the Hornby Project and the Technical Report – Thelon Property beneficially holds options for 24,000 common shares of the Company. As of April 20, 2007, the options, if exercised for common shares, represent less than 0.05% of the issued and outstanding common shares of the Company. Mr. Charlton was granted these options on November 17, 2005 and entered into an acquisition agreement with the Company in September 2006 and received 10,000 common shares of the Company, each after preparation of his technical reports.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

## AUDITORS' CONSENT

We have read the short form prospectus of Ur-Energy Inc. (the "Company") dated May •, 2007 relating to the issue and sale of 15,158,000 Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our auditors' report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years ended December 31, 2006 and 2005. Our report thereon is dated March 21, 2007.

Chartered Accountants

Ottawa, Ontario, Canada  
May •, 2007

**CERTIFICATE OF THE COMPANY**

Dated: April 23, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Manitoba and Ontario.

UR-ENERGY INC.

(signed) W. WILLIAM BOBERG  
*President and Chief Executive Officer*

(signed) JOHN MCNEICE  
*Chief Financial Officer*

On behalf of the Board of Directors of Ur-Energy Inc.

(signed) JEFFREY KLEND  
*Director*

(signed) ROBERT BOAZ  
*Director*

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**CERTIFICATE OF THE UNDERWRITERS**

Dated: April 23, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Manitoba and Ontario.

GMP SECURITIES L.P.

(signed) KEVIN REID  
SENIOR VICE PRESIDENT, INVESTMENT BANKING

RAYMOND JAMES LTD.

(signed) JOHN M. MURPHY  
MANAGING DIRECTOR

CANACCORD CAPITAL CORPORATION

(signed) ALI PEJMAN  
SENIOR VICE PRESIDENT, INVESTMENT  
BANKING

CORMARK SECURITIES INC.

(signed) DARREN WALLACE  
DIRECTOR, INVESTMENT BANKING

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**CONSENT OF QUALIFIED PERSON**

To: British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Ur-Energy Inc. Short Form Prospectus

I refer to the short form prospectus (the "Prospectus") of Ur-Energy Inc. (the "Company") dated April 23, 2007 relating to the qualification of distribution of common shares of the Company as described therein.

I hereby consent to being named in the Prospectus under the heading "Use of Proceeds" in connection with the statement concerning the Company's work plan. I confirm that I have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the statements concerning the Company's work plan or that are within my knowledge as a result of the services I performed in connection with the Company's work plan.

Dated April 23, 2007

Yours truly,

*/s/ W. William Boberg*

W. William Boberg

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**CONSENT OF AUTHOR**

To: Ur-Energy Inc.  
British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

I, J.D. Charlton, P. Geo., the author of the following report: Technical Report on the Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project, dated February 25, 2005 with revisions on June 22, 2005 and October 20, 2005; and (ii) Technical Report on the Mountain Lake and Dismal West Properties together comprising the Hornby Project, dated January 31, 2005 with revisions on October 20, 2005 (collectively, the "Reports") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Short Form Prospectus of Ur-Energy Inc. dated April 23, 2007 (the "Prospectus").

I certify that I have read the Prospectus 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated April 23, 2007

/s/ John D. Charlton

John D. Charlton

---

Suite 388  
1130 W. Pender Street  
Vancouver, BC V6E 4A4  
Tel: (604) 602-6767  
Fax: (604) 602-0235  
Email: [stewart.wallis@scottwilson.com](mailto:stewart.wallis@scottwilson.com)



CONSENT OF AUTHOR

To: Ur-Energy Inc.  
British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

I, C. Stewart Wallis, P. Geo., the author of the following reports: (i) Technical Report on Great Divide Basin Uranium Properties, Wyoming dated June 15, 2005 and revised October 20, 2005; (ii) Technical Report on the Shirley Basin Uranium Properties, Wyoming on June 20, 2005 and revised October 20, 2005, (iii) Technical Report on the Kaycee and Shamrock Uranium Properties, Wyoming, dated October 20, 2005, (iv) Technical Report on the Lost Creek Project, Wyoming, dated June 15, 2006, and (v) Technical Report on the Lost Soldier Project, Wyoming, dated July 10, 2006 (collectively, the "Reports") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Short Form Prospectus of Ur-Energy Inc. dated April 23, 2007 (the "Prospectus").

I certify that I have read the Prospectus 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated April 23, 2007

  
  
C. Stewart Wallis P. Geo.



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19th Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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IN THE MATTER OF NATIONAL POLICY 43-201  
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES

AND

IN THE MATTER OF

**Ur-Energy Inc.**

**DECISION DOCUMENT**

This preliminary mutual reliance review system decision document evidences that preliminary receipts of the regulators in each of **British Columbia, Alberta, Manitoba and Ontario** have been issued for a **Preliminary Short Form Prospectus** of the above Issuer dated **April 23rd, 2007**.

DATED at Toronto this **23rd** day of **April, 2007**.

*Margo Paul*

Margo Paul  
Director, Corporate Finance

**Note:**

The issuance of this decision document is not to be construed as meaning that the adequacy of the preliminary materials has been established. The materials are being reviewed and initial comments will be furnished to you as soon as possible.

SEDAR Project # **1086502**

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*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

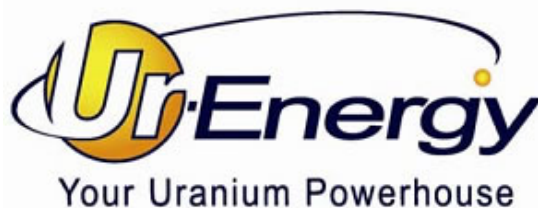
*The securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in accordance with the Underwriting Agreement (as defined herein) and pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of these securities within the United States. See "Plan of Distribution."*

**Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, Telephone: (613) 692-7704 and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

May 1, 2007



### UR-ENERGY INC.

**\$72,000,500**

**15,158,000 Common Shares**

This short form prospectus qualifies the distribution (the "Offering") of 15,158,000 common shares (the "Common Shares") of Ur-Energy Inc. (the "Company" or "Ur-Energy"). The offering price of the Common Shares was determined by negotiation between the Company and GMP Securities L.P., Raymond James Ltd., Canaccord Capital Corporation and Cormark Securities Inc. (collectively, the "Underwriters").

The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "URE". On April 16, 2007, the last trading day prior to the public announcement of the Offering, the closing price of the common shares on the TSX was \$4.86. On April 30, 2007, the last trading day prior to the date hereof, the closing price on the TSX was \$4.33. The TSX has conditionally approved the listing of the Common Shares distributed under this prospectus on the TSX. Listing of the Common Shares will be subject to fulfilling all of the requirements of the TSX on or before July 19, 2007.

|                  | <b>Price: \$4.75 per Common Share</b> |                          | <b>Net Proceeds to the Company (1)(2)</b> |
|------------------|---------------------------------------|--------------------------|-------------------------------------------|
|                  | <b>Price to the Public</b>            | <b>Underwriters' Fee</b> |                                           |
| Per Common Share | \$4.75                                | \$0.285                  | \$4.465                                   |
| Total(2)         | \$72,000,500                          | \$4,320,030              | \$67,680,470                              |

Notes:

- (1) Before deducting expenses of the Offering estimated at \$300,000, which, together with the Underwriters' fee, will be paid by the Company out of the proceeds of the Offering.

(2)

The Company has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable for a period of 30 days following the closing date of the Offering, to purchase up to an additional 2,273,000 common shares at a price of \$4.75 per share for market stabilization and to cover over-allotments, if any. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the common shares to be issued or sold upon the exercise of the Over-Allotment Option. Unless the context otherwise required, reference herein to the "Offering" and "Common Shares" assumes the exercise of the Over-Allotment Option. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' fee and net proceeds to the Company will be \$82,797,250, \$4,967,835 and \$77,829,415, respectively. See "Plan of Distribution".

| <b>Underwriters' Position</b> | <b>Maximum number of securities held</b> | <b>Exercise period</b>    | <b>Exercise price</b> |
|-------------------------------|------------------------------------------|---------------------------|-----------------------|
| Over-allotment Option         | 2,273,000                                | 30 days from Closing Date | \$4.75 per share      |

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and delivered and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Company by McCarthy Tétrauld LLP and on behalf of the Underwriters by Cassels Brock & Blackwell LLP.

Subscriptions for the Common Shares will be received by the Underwriters subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about May 10, 2007 or such earlier or later date as the Company and the Underwriters may agree, but in any case not later than May 24, 2007. Definitive certificates representing the Common Shares will be available for delivery at the closing of the Offering. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the common shares of the Company at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

**Prospective purchasers of the Common Shares should carefully consider the risks and uncertainties described or referred to under "Risk Factors".**

The head and registered office of the Company is 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3.

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## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of the Company at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3, Telephone: (613) 692-7704. A copy of the permanent information record may be obtained from the Chief Financial Officer of the Company at the above-mentioned address and telephone number. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval (“SEDAR”) which can be accessed at [www.sedar.com](http://www.sedar.com).

The following documents filed with the securities commissions or similar regulatory authorities in each of British Columbia, Alberta, Manitoba and Ontario are specifically incorporated by reference in, and form an integral part of, this short form prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this short form prospectus or in any other subsequently filed document that is also incorporated by reference in this short form prospectus:

- (a) the annual information form of the Company for the year ended December 31, 2006 dated March 21, 2007 (the “AIF”);
- (b) the audited comparative consolidated financial statements of the Company as at and for the year ended December 31, 2006, together with the notes thereto and the auditors’ report thereon;
- (c) management’s discussion and analysis of financial condition and results of operations of the Company for the year ended December 31, 2006;
- (d) the management information circular of the Company dated April 12, 2007 relating to the annual and special meeting of shareholders of the Company to be held on May 18, 2007; and
- (e) the material change report of the Company dated April 23, 2007 with respect to the announcements of the bought deal financing and the filing of the preliminary prospectus of the Company.

Any documents of the type referred to above (except confidential material change reports) filed by the Company with the various securities commissions or similar regulatory authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

**Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. Information on any of the websites maintained by the Company does not constitute a part of this prospectus.**

## CURRENCY

Unless otherwise specifically stated herein, all references to “\$” and “dollars” are to Canadian currency.

## NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus, including any documents incorporated by reference herein, contains certain “forward-looking statements”. All statements included in this short form prospectus (other than statements of historical facts) which address activities, events or developments that management anticipates will or may occur in the future are forward-looking statements, including statements as to the following: future targets and estimates for production, 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,

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plans and references to the Company's future successes, and other such matters. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including the considerations discussed under "Risk Factors" and elsewhere in this short form prospectus, in any documents incorporated by reference herein and in other documents filed from time to time by the Company with Canadian securities regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Company's control. These factors should not be construed as exhaustive and may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on the Company. All of the forward-looking statements made in this short form prospectus and any documents incorporated by reference herein are qualified by the foregoing cautionary statements. Such forward-looking statements are made as of the date of this short form prospectus, or in the case of documents incorporated by reference herein, as of the date of such document, and the Company expressly disclaims any obligation to update or revise any such forward-looking statements.

### **ELIGIBILITY FOR INVESTMENT**

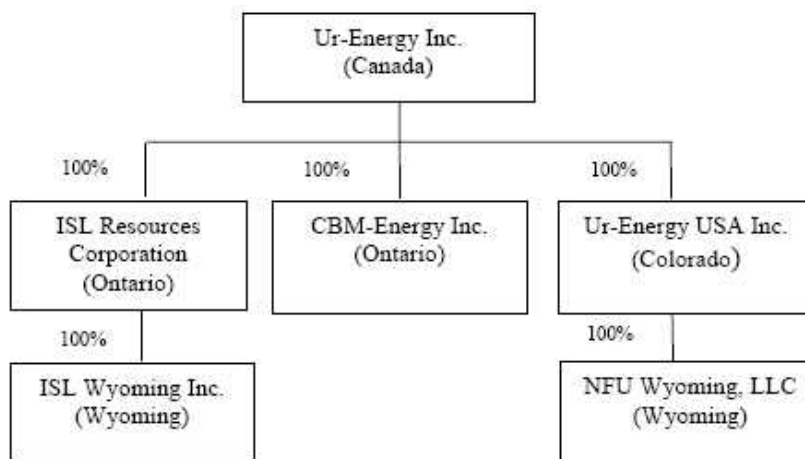
In the opinion of McCarthy Tétrault LLP, counsel to the Company, and Cassels Brock & Blackwell LLP, counsel to the Underwriters, provided the Common Shares are listed on a prescribed stock exchange in Canada (within the meaning of the Income Tax Act (Canada) (the "Tax Act") and which currently includes the TSX), the Common Shares would be, if issued on the date hereof, a qualified investment within the meaning of the Tax Act for trusts governed by registered retirement savings plans, registered education savings plan, registered retirement income funds and deferred profit sharing plans.

### **THE COMPANY**

The Company is a corporation continued under the *Canada Business Corporations Act* ("CBCA"). The head and registered office of the Company is at 1128 Clapp Lane, P.O. Box 279, Manotick, Ontario K4M 1A3. The Company's United States headquarters is at 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127.

#### **Intercorporate Relationships**

The Company's direct and indirect subsidiaries are Ur-Energy USA Inc. ("Ur-Energy USA"), NFU Wyoming, LLC, ISL Resources Corporation, CBM-Energy Inc. and ISL Wyoming Inc. Set out below are the jurisdictions in which they are incorporated or organized.



As used in this prospectus, unless the context otherwise requires, references to the “Company” or “Ur-Energy” means Ur-Energy Inc. and its subsidiaries.

### **Business of the Company**

The Company is a junior mining company focused on development of uranium production from properties in the United States and exploration for uranium deposits in both the United States and Canada. Ur-Energy is completing mine planning, baseline studies and permitting activities to bring two uranium deposits in Wyoming into production which is expected to start in early 2009. The Company is also engaged in the identification, acquisition and exploration of uranium properties in Canada and exploration, and development of uranium projects in the United States. The Company’s operations comprise one reportable segment within two geographic areas.

In the United States, the Company has staked claims and/or leased lands in Wyoming and in South Dakota. In Wyoming, the Company controls eleven properties covering 14,642 hectares (36,180 acres). Of those eleven properties, eight are in the Great Divide Basin, two of which (the Lost Soldier property and the Lost Creek property) contain defined resources that the Company expects to advance to production. The Company’s other Wyoming projects include two properties in the Shirley Basin, one of which is the Bootheel property. The last of the Wyoming properties, the Kaycee property, is located in the Powder River Basin.

In 2007, exploration programs are planned for the Radon Springs, Eagles Nest and North Hadsell projects in the Great Divide Basin, Wyoming.

In South Dakota, the Company’s subsidiary NFU Wyoming, LLC was the successful bidder on 79 State of South Dakota Mineral Leases. These 79 Mineral Leases contain approximately 46,363 acres in Harding County, in northwest South Dakota. A detailed geologic evaluation of the project area is underway and a drilling program is tentatively planned for later 2007. Exploration drilling for uranium in this region has been very limited. An evaluation of Ur-Energy’s extensive historic database suggests potential for uranium discoveries in the region.

In Canada, the Company has staked claims in the Thelon Basin in the Northwest Territories and in the Hornby Basin in Nunavut. The Thelon Properties are comprised of three claim groups including the Screech Lake project. The Hornby Basin Properties are comprised of two claim groups: Mountain Lake and Dismal West. The Bugs Property is located in the Kivalliq region in Nunavut.

On July 31, 2006, the Company completed a definitive agreement with Triex Minerals Corporation with respect to its Mountain Lake and West Dismal properties. At Mountain Lake, Ur-Energy holds 41 claims covering about 38,545 hectares (95,242 acres) that adjoin 8 claims held by Triex. The Triex ground hosts the Mountain Lake Deposit, the largest

uranium deposit found to date in the Hornby Bay Basin. Near the west end of Dismal Lakes, Ur-Energy's Property comprises two groups of 17 mineral claims totaling approximately 13,920 hectares (34,400 acres). The claim groups cover part of an historic field of uranium mineralized boulders located 40 kilometres northwest of the Mountain Lake deposit.

The Company is actively pursuing future growth opportunities by evaluating the acquisition of exploration, development or production assets as well as considering joint venture projects for existing properties of the Company. The Company is currently engaged in discussions with respect to such possible opportunities. At any given time, discussions and activities can be in process on a number of initiatives, each at different stages of development. Although the Company may from time to time be a party to a number of letters of intent in respect of certain joint ventures opportunities and other acquisitions, the Company 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. As of the date of this short-form prospectus, the Company has allocated \$14 million of the proceeds of the Offering toward potential acquisitions. Use of these proceeds is at the discretion of the management of the Company.

Other than as discussed in this prospectus, the business of the Company and details of its mineral properties are disclosed in the Company's public disclosure record and material explicitly incorporated by reference into this prospectus. The Company commissioned Stewart Wallis (P. Geo) of Scott Wilson Roscoe Postle Associates Inc. (formerly, Roscoe Postle Associates Inc.) ("RPA") to prepare technical reports which comply with the requirements imposed by National Instrument 43-101: "Standards of Disclosure for Mineral Projects", for the Great Divide Basin project updated by additional technical reports on the Lost Soldier and Lost Creek projects, the Shirley Basin project, and the Kaycee and Shamrock projects, and J.D. Charlton (P. Geo) of Charlton Mining Exploration Inc. to prepare such technical reports for the Thelon Project and the Hornby Project.

### ***United States - Wyoming***

Ur-Energy's key priority is to advance its two main Wyoming properties, the Lost Creek and Lost Soldier projects (located in the Great Divide Basin) into production. Achievement of this overall objective depends upon the successful completion of the various milestones. Successful completion of many of these milestones and their expected timing is dependent on the successful completion of earlier milestones. Delays or failure to complete earlier milestones would result in delays or failure to complete later milestones. The key milestones are as follows:

- completion of environmental and permitting studies (commenced in the third quarter 2005 and ongoing through 2007);
- completion of comprehensive and detailed geologic reports for Lost Creek and Lost Soldier projects to be used in the engineering studies (to be completed in the second quarter of 2007);
- completion of feasibility pump tests and related hydrology studies (commenced second quarter 2006 for expected completion in third quarter 2007);
- completion of engineering studies on the projects (commenced second quarter 2006 and ongoing through 2008);
- completion of toll-milling business arrangement for processing of ion-exchange resin from the projects (expected in fourth quarter of 2007);
- completion of mining pre-feasibility studies for Lost Creek project (expected by mid-2007) and final feasibility studies (expected by first quarter of 2008);
- completion of mining pre-feasibility studies for Lost Soldier (expected by fourth quarter of 2007) and final feasibility studies (expected in fourth quarter of 2008);
- completion of all baseline studies and environmental studies for Application for Permit to Mine for Lost Creek and Lost Soldier projects (expected second quarter 2007);
- completion of Application for Permit to Mine on Lost Creek and NRC License Applications (expected in the third quarter of 2007);
- completion of Application for Permit to Mine on Lost Soldier and NRC License Applications (expected in fourth quarter of 2008);

- completion of engineering feasibility studies and the economic evaluation of building a full centralized *in situ* resource (ISR) processing plant at Lost Creek (expected first quarter of 2008); and
- commence installation of first production wellfields at Lost Creek project (expected fourth quarter 2008).

Since the completion of the technical report for the Lost Creek Property, Wyoming dated June 15, 2006 prepared by Stewart Wallis of RPA (the "Technical Report – Lost Creek"), the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archaeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including wellfield layouts, hydraulic analysis and deep disposal well(s) by Petrotek Engineering Corporation;
- completion of baseline water quality sampling for three consecutive quarters from the monitoring wells;
- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- aquifer test analysis report completed by Hydro-Engineering, LLC; and
- planning and permitting a three rig drilling program to start development work in April 2007 with installation of 58 internal monitoring wells within the First Mine Unit and 70 delineation drill holes plus obtaining additional core samples for column leach tests and permeability tests.

Since the completion of the technical report regarding the Lost Soldier Property, Wyoming dated July 10, 2006 prepared by Stewart Wallis at RPA (the "Technical Report - Lost Soldier"), the following activities have been undertaken and/or completed between September 2006 and March 2007:

- installation of 17 dual purpose pump test and monitoring wells;
- engineering study of potential plant sites and cost analysis of evaporation ponds and deep disposal wells performed by Lyntek, Inc.;
- completion by AATA International Inc. of 95% of the environmental baseline data collection for mine permitting purposes which includes meteorological, air quality, surface hydrology, radiology, soil surveys, archaeology, wildlife studies, vegetation studies and socioeconomic studies;
- initiation of the engineering studies including deep disposal well(s) by Petrotek Engineering Corporation;
- initiation of selected engineering studies by Pincock, Allen & Holt;
- preparation of comprehensive and detailed internal geologic reports for engineering and environmental studies;
- hydrologic stress testing report completed by Leppert Associates; and
- baseline water quality sampling for three consecutive quarters from the monitoring wells.

## Canada –Northwest Territories and Nunavut

### *Hornby Bay Basin Properties*

The Hornby Bay Basin Properties are grass roots project in the Proterozoic Hornby Bay Basin, which straddles the Nunavut/Northwest Territories boundaries east of Great Bear Lake. The project area is associated with significant radiometric anomalies and a high-grade boulder train. One of the two claim groups encompasses Triex Minerals' Mountain Lake project which hosts the PEC uranium deposit.

### *Thelon Properties*

The Thelon Basin Properties are grass roots projects located on crown land which the Company believes have potential for discovery of high-grade unconformity uranium deposits of the Athabasca style. The claims are situated in the Thelon Basin located in the Northwest Territories. The Thelon Basin is host to the undeveloped Kikkavik-Andrew Lake and End deposits.

Potential high-grade uranium at the unconformity on the Screech Lake claim group is indicated by high surface radon and radiogenic helium gases in soils and radioactive groundwaters in lake bottom springs. Airborne MEGATEM® surveys and ground electromagnetic surveys confirm a very low resistivity zone underlying the anomalous surface conditions at and above the unconformity contact. This strong basement electromagnetic conductor is interpreted to be due to clay alteration just above the unconformity. In July 2006, an environmental screening study was completed on the Screech Lake Project. Current work plans include further surface radon sampling, additional ground geophysical surveys and drilling.

Since the completion of the technical report dated February 25, 2005 and updated June 22, 2005 and October 20, 2005 on Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project located in the Northwest Territories, Canada prepared by John D. Charlton, P. Geo (the "Technical Report – Thelon Property"), certain components of the recommended work program have been undertaken and/or completed as follows:

In mid 2005, Aurora Geosciences Ltd. completed a ground PROTEM 57 electromagnetic survey and ground magnetic and VLF surveys over the Screech Property and Fugro Airborne Surveys completed a MegaTEM airborne electromagnetic and magnetic survey over the entire Screech Property. In addition, the Company completed an EIC (electret ion chamber) radon sampling and prospecting exploration program on the Screech Property. Condor Consulting completed a processing and analysis of the MegaTEM survey data for the Screech Property in April 2006.

In mid 2006, Aurora Geosciences Ltd. completed further ground PROTEM 57, magnetic, and VLF-EM surveys, extending the review of the Screech Property southward and eastward including the southeast anomaly. A ground exploration program was also completed, the principal components of which, were ground radon flux monitor (RFM) surveys and ground radon-in-air (RIA) surveys utilizing field-adapted electret ion chamber (EIC) radon measurement technologies. Highly anomalous radon concentrations and trends were 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 Property.

The Company contracted Golder Associates ("Golder") to facilitate the land use permit application process and to complete an environmental benchmark study at the Screech Property. Following community consultations with the Lutsel K'e Dene and the Fort Resolution Dene, the company and Golder re-applied for a Land Use Permit on July 13, 2006. In August 2006, Golder completed the benchmark environmental study and the Company conducted a community site visit to the Screech Property with representatives of Lutsel K'e. During September 2006, the land use permit application was referred to the Mackenzie Valley Environmental Impact Review Board ("MVEIRB") for environmental assessment. In January 2007, MVEIRB held hearings on the Screech Project at Lutsel K'e. The environmental assessment was completed on February 28, 2007. A report from the MVEIRB is pending but the timing is currently unknown. During the period prior to the receipt of a land use permit, the Screech Property exploration program can proceed up to, but not including, the drilling phase.

The Company anticipates that upon receipt of the Land Use Permit, that it will commence a Phase II work program which will include 3,400 meters of exploratory diamond drilling and subsequent down-hole surveys to test selected high priority targets. Additionally, a ground geophysical coverage of the southwestern part of the Screech Property will be conducted.

#### *Bugs Property*

On September 7, 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Bugs property consists of 11 contiguous mineral claims in the Kivalliq region of Nunavut. The Company can earn a 100% interest in the property by issuing a total of 85,000 common shares of the Company to the vendor over a two year period. Upon signing, 10,000 common shares of the Company were issued to obtain an initial 12% interest in the property. On the first anniversary of the agreement 25,000 common shares of the Company are issuable for an additional 30% interest and on the second anniversary 50,000 common shares of the Company are issuable for a 58% interest. The vendor retains a 2% net smelter royalty which is subject to a buyout of 1% for \$1.0 million.

High-grade uranium mineralization was discovered south of Nowleye Lake in the summer of 1976 during a geological reconnaissance/prospecting program carried out by Cominco Ltd. Cominco staked the (Bugs) property and completed exploration work programs on it over the ensuing four years. This work included prospecting, geological mapping, sampling, local ground magnetic and VLF-EM surveys, local track-etch radon surveys, and borehole drilling. Cominco also completed petrologic, rock geochemical, autoradiographic, and age dating studies on suites of Bugs rocks. During the summer of 1979 a total of 1,998 meters of drilling in 23 holes was completed on four separate showing areas on the Bugs Property. Three types of uranium mineralization are recognized on the Bugs Property.

A fixed wing airborne radiometric and magnetic survey was completed over the entirety of the Bugs Property by TundraAir Inc. in September 2006 and the information obtained from the survey is being utilized for the 2007 work program.

#### **Recent Developments**

On January 3, 2007, Gary Huber was appointed as a director of the Company.

On February 19, 2007, the Company appointed Wayne Heili as Vice President, Engineering. Mr. Heili will head up the Casper, Wyoming production office and engineering team. Mr. Heili will be responsible for directing the completion of the mining feasibility studies and the development of the Lost Creek and Lost Soldier projects.

On April 11, 2007, the Company announced that it started a three rig drilling program as part of a mining feasibility study at its Lost Creek in-situ recovery uranium project. The purpose of the 2007 Phase I drilling program is to install monitor and pump test wells in order to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering feasibility studies. This information will form part of the Wyoming Department of Environmental (WDEQ) Permit to Mine application, the US Nuclear Regulatory Source Material License application and the WDEQ Mine Unit #1 Permit application. At Lost Soldier, engineering feasibility studies are underway and geologic and hydrologic data from the 2006 drilling program of 17 pump test and monitoring wells is being evaluated. Engineering feasibility studies and applications for permits to mine for Lost Soldier will be assembled and submitted following the completion and submittal of the Lost Creek mine application. Within the Great Divide Basin, the Company's exploration staff is developing exploration drilling programs for 2007 at its Radon Springs, North Hadsell and Eagles Nest properties in order to generate additional resources for Ur-Energy's future production pipeline.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2006 after giving effect to the Offering, but not the exercise of the Over-Allotment Option. See "Use of Proceeds". This table should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2006, together with the notes thereto, contained, or incorporated by reference, in this short form prospectus.

|                                       | As at December 31, 2006<br>(Actual)       | As at December 31, 2006 after<br>giving effect to the Offering <sup>(1)</sup><br>As Adjusted<br>(unaudited) |
|---------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------|
| New Frontiers Uranium, LLC obligation | \$ 14,713,495                             | \$ 14,713,495                                                                                               |
| Common shares                         | \$ 59,236,406                             | \$ 126,616,876                                                                                              |
|                                       | (73,475,052 common<br>shares outstanding) | (88,633,052 common<br>shares outstanding)                                                                   |
| Warrants                              | 45,604                                    | 45,604                                                                                                      |
| Contributed surplus                   | 2,678,341                                 | 2,678,341                                                                                                   |
| Deficit                               | (6,018,383)                               | (6,018,383)                                                                                                 |
| Total Shareholders' Equity            | 55,941,968                                | 123,322,438                                                                                                 |
| Total Capitalization                  | \$ 70,655,463                             | \$ 138,035,933                                                                                              |

(1) After deducting the Underwriters' fees and expenses of the Offering.

### DESCRIPTION OF THE COMMON SHARES

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of Class A Preference Shares, issuable in series. As of April 30, 2007, there are 74,225,239 common shares and no Class A Preference Shares issued and outstanding. The holders of the common shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of common shares are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

The Company'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 of the Company.



## USE OF PROCEEDS

The net proceeds to the Company of the Offering after deducting the Underwriters' fee and expenses of the Offering (assuming that the Underwriters do not exercise the Over-Allotment Option) are estimated to be approximately \$67,380,000. The net proceeds of the Offering will be used primarily for the further development of the Lost Creek and Lost Soldier projects, for exploration of existing and potential new uranium projects in the United States, for potential acquisitions in the United States and Canada and for general corporate purposes.

The Company expects that existing cash on hand will be sufficient to fund components of the Lost Creek and Lost Soldier project development costs including engineering feasibility studies, completion of the permitting process, submission of Applications for Permit to Mine Lost Creek and Lost Creek Mine Unit #1, the installation of monitor wells for the Lost Creek Mine Unit #1 and additional hydrology tests at both the Lost Creek and Lost Soldier projects which total approximately \$7,000,000. Additionally, it is estimated that existing cash on hand is sufficient to fund planned exploration and land acquisition costs for United States projects of approximately \$2,000,000 and to fund approximately \$2,500,000 with respect to exploration of Canadian projects.

For the Lost Creek project the Company expects to receive its basic Permit to Mine and Permit to Mine at Lost Creek Mine Unit #1 in late 2008. On receipt of these permits, the Company plans to start development of the first wellfield in late 2008 or early 2009. Net proceeds of the Offering will be utilized for the development of the first wellfield and the construction of a full centralized ISR processing plant estimated to cost approximately \$35,000,000.

For the Lost Soldier project during 2008, the Company estimates that it will utilize approximately \$5,600,000 of the net proceeds of the Offering to advance the final feasibility study and pre-development engineering studies in preparation for production planning.

For existing and potential exploration projects in the United States, the Company estimates that it will utilize approximately \$3,800,000 on exploration and economic resource evaluations for the Radon Springs, North Hadsell and Eagles Nest projects, each in the Great Divide Basin of Wyoming. It is estimated that, approximately \$1,900,000 will be utilized to fund exploration on the Company's projects in the Shirley Basin, in other areas of Wyoming, and in South Dakota. The Company also estimates that it will utilize approximately \$1,700,000 for exploration of potential new projects on the Colorado Plateau.

During 2007 and 2008, the Company estimates that it will utilize approximately \$14,000,000 of the net proceeds of the Offering for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada. There are no definitive plans for the expenditure of these funds as of the date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See "Risk Factors – Unallocated Proceeds of the Offering".

The Company estimates that it will utilize approximately \$5,380,000 of the net proceeds of the Offering for general corporate purposes. There are no definitive plans for the expenditure of these funds as of the date of this short form prospectus. Accordingly, all allocations will be at the sole discretion of the management of the Company. See "Risk Factors – Unallocated Proceeds of the Offering".

The estimated use of the net proceeds of the Offering set out above is subject to the completion of feasibility studies for the Lost Creek and Lost Soldier projects that have been initiated, but not yet completed, and on the timely receipt of required permits from the WDEQ, the US Nuclear Regulatory Commission and various other federal and state agencies that the Company deals with in moving these projects toward production. The estimates set out above are based on detailed geologic, engineering and environmental studies completed by the Company and its contractors to date. A qualified person within the meaning of National Instrument 43-101, W. William Boberg, President and Chief Executive Officer of the Company, has been involved in the preparation of this work plan and believes it to be reasonable. The actual use of the net proceeds of the Offering may vary depending on changing business and technical circumstances.

While the Company intends to use the net proceeds as stated above, there may be circumstances where a reallocation of funds may be advisable for business reasons that management believes are in the best interest of the Company.

## PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Underwriting Agreement") dated April 23, 2007 between the Underwriters and the Company, the Company has agreed to sell and the Underwriters have severally agreed to purchase on May 10, 2007 or on such earlier or later date as the Underwriters and the Company may agree but in any event not later than May 24, 2007 (the "Closing Date") subject to the terms and conditions contained therein, all but not less than all of the 15,158,000 Common Shares offered hereby for total consideration of \$72,000,500 payable to the Company against delivery of certificates representing the Common Shares. The Underwriting Agreement provides that the Company will pay to the Underwriters a cash fee of 6% of the gross proceeds of the Offering in consideration for the services of the Underwriters in connection with the Offering. The terms of the Offering have been determined by negotiation between the Company and the Underwriters.

The Company has granted to the Underwriters the Over-Allotment Option, exercisable for a period of 30 days following the closing date of the Offering, to purchase up to an additional 2,273,000 common shares at a price of \$4.75 per share to cover over-allotments, if any. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares to be issued or sold upon the exercise of the Over-Allotment Option. If the Underwriters exercise the Over-Allotment Option in full, the total price to the public, Underwriters' fee and net proceeds to the Company will be \$82,797,250, \$4,967,835 and \$77,829,415, respectively.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are however, obligated to take up and pay for 15,158,000 Common Shares offered hereby if any such Common Shares are purchased under the Underwriting Agreement. If any of the Underwriters fails to purchase the Common Shares which such Underwriter(s) have agreed to purchase, the other Underwriters who are willing and able to purchase their own applicable percentages of the Common Shares shall be relieved of their obligations under the Underwriting Agreement, provided that any one or more of the Underwriters may, but are not obligated to, purchase the Common Shares not purchased by the refusing Underwriter(s).

The Underwriting Agreement provides that the Company will indemnify the Underwriters against certain liabilities or contribute to payments that the Underwriters may be required to make in respect of those liabilities.

Definitive certificates representing the Common Shares will be available for delivery at closing of the Offering.

The TSX has conditionally approved the listing of the Common Shares distributed under this prospectus on the TSX. Listing will be subject to fulfilling all of the requirements of the TSX on or before July 19, 2007.

During a period ending 90 days following the date of closing of the Offering, the Company has agreed, subject to certain exceptions, that it will not offer, sell, distribute or issue for sale any common shares or securities convertible or exercisable for common shares, or agree to or announce any such offer, sale, distribution or issuance, without the prior written consent of GMP Securities L.P., on behalf of the Underwriters.

Pursuant to policy statements of the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase common shares of the Company. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the common shares of the Company. Such exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws in connection with the Offering, the Underwriters may over-allot Common Shares or effect transactions intended to stabilize or maintain the market price of the common shares of the Company at a higher level than that which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time during the Offering.

The Common Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and accordingly may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. However, the Underwriting Agreement permits the Underwriters to offer the Common Shares for sale by the Company to substituted purchasers in the United States that are institutional

accredited investors that satisfy the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act ("Regulation D"), pursuant to and in accordance with Rule 506 of Regulation D. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Common Shares outside the United States only in accordance with Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of the Offering, any offer or sale of Common Shares offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

## **RISK FACTORS**

The business of the Company is subject to a variety of risks, including those described in the AIF and the other documents incorporated by reference herein and those additional risks described below.

### **Exploration and Development Stage Company**

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. The Company's property interests are in the exploration and development stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic deposit of minerals, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that any of the Company'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 even 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. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration programs which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine some of the Company'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 Company's control including international, economic and political trends, 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 Company's properties, cannot accurately be predicted. As the Company is only 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.

### **Uranium Market Factors**

The marketability of uranium is subject to numerous factors beyond the control of the Company. The price of uranium may experience volatile and significant price movements over short periods of time. Factors affecting price include demand for nuclear power, political and economic conditions in uranium producing and consuming countries, 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.

## **No Current Mineral Reserves**

Calculations of mineral resources and metal recovery are only estimates, and there can be no assurance about the quantity and grade of minerals until reserves or resources are actually mined. While we have mineral resources, we currently do not have any 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 stripping ratio may affect the economic viability of our properties.

## **Management, Dependence on Key Personnel, Contractors and Service Providers**

Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified employees, contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company's business and operations.

## **Industry Conditions**

The exploration for and development of mineral deposits involve significant risks which even 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 ore 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 Company 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 Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company'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.

## **Value of the Common Shares**

The value of the Company's common shares, could be subject to significant fluctuations in response to variations in quarterly and yearly operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors. These fluctuations may affect the value of the Company's common shares.

## **Competition**

The international uranium industry is highly competitive. The Company's activities are directed towards the search, evaluation and development of uranium deposits. There is no certainty that the expenditures to be made by the Company 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 Company 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 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.

#### **Additional Funding**

Additional funds may be required for future exploration and development. The source of future funds available to the Company 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 Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders of the Company.

#### **Lack of Earnings and Dividend Record**

The Company 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 Company after taking into account many factors, including our financial condition and current and anticipated cash needs.

#### **The Impact of Hedging Activities on Profitability**

Although the Company 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 Company 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.

#### **Environmental Risk and Compliance with Environmental Regulations Which are Increasing and Costly**

Environmental legislation 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 our intended activities, and expose us to litigation. These authorities may require us to prepare and present data pertaining to the effect or impact that any proposed exploration for or production of minerals may have upon the environment. The requirements imposed by any such authorities may be costly, time consuming, and may delay operations. Future legislation and regulations designed to protect the environment, as well as future interpretations of existing laws and regulations, may require substantial increases in equipment and operating costs and delays, interruptions, or a termination of operations. We cannot accurately predict or estimate the impact of any such future laws or regulations, or future interpretations of existing laws and regulations, on our operations. Historic mining activities have occurred on certain of our 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.

#### **Title to Property Can be Uncertain**

Although the Company 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 Company's interests. The

Company's mineral properties in the United States consist of private mineral rights, leases covering state and private lands, leases of patented mining claims, and unpatented mining claims. Many of our mining properties in the United States are unpatented mining claims to which the Company 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 Company's unpatented mining claims located on public lands allows the Company the exclusive right to mine and remove valuable minerals, such as precious and base metals. The Company 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 Company 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 Company has or will take all curative measures to ensure proper title to its properties where necessary and where possible.

### **Land Claims**

At the present time, none of the properties in which the Company has an interest or an option to acquire an interest is the subject of an aboriginal land claim. No assurance can be provided that the Company's properties may not be the subject of such claims in the future.

### **Uninsured Hazards**

The Company currently carries insurance coverage for general liability, directors' and officers' liability and other matters. The Company intends to carry insurance to protect against certain risks in such amounts as it considers adequate. The nature of the risks the Company 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 Company's business and financial position.

### **Conflicts of Interest**

Certain directors of the Company 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 Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company 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.

### **Permits, Licences and Approvals**

The operations of the Company may require licences and permits from various governmental authorities. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences 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 their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

### **Regulatory Matters**

The Company's business is subject to various federal, state, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine 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 rehabilitate 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. There can be no assurance that the Company 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 prohibit the Company from proceeding with certain exploration and development.

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. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact the Company'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 our financial performance.

### **Deregulation of the Electrical Utility Industry**

The Company'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.

### **Unallocated Proceeds of the Offering**

As of the date of this short form prospectus, the Company has no definitive plans for the expenditure of certain proceeds of the Offering. \$14,000,000 million has been allocated for potential acquisitions of uranium resource properties or uranium companies in both the United States and Canada and \$5,380,000 million has been allocated for working capital and general corporate purposes. All such potential acquisitions and expenditures of the net proceeds in connection with working capital and general corporate purposes shall be at the sole discretion of the management of the Company, and there can be no assurance as of the date of this short form prospectus as to how such funds will be expended. The Company is not a party to any definitive agreement in respect of strategic investments or acquisitions and no assurance can be given that such agreements will ever be entered into and in such events the use of proceeds allocated to potential acquisitions will be at the sole discretion of the management of the Company.

### **United States Tax Risks Associated with Investments in the Company**

Potential investors that are United States taxpayers should consider that the Company is likely to qualify as a "passive foreign investment company" ("PFIC") for United States federal income tax purposes. A United States taxpayer who disposes or is deemed to dispose of PFIC shares at a gain, or who receives a so-called "excess distribution" on PFIC shares, generally is required to treat such gain or excess distribution as ordinary income and pay an interest charge on a portion of the gain or distribution unless the taxpayer makes an election with respect to marketable PFIC shares to mark such shares to market each year taking the gain into account as ordinary income or makes a timely qualified electing fund election (a "QEF" election). A United States taxpayer who makes a QEF election generally must report on a current basis his or her share of any of the Company ordinary earnings and net capital gain for any taxable year in which the Company is a PFIC, whether or not the Company distributes those earnings. Special estate tax rules could be applicable to the Company's common shares if the Company is classified as a PFIC for United States income tax purposes.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants, 99 Bank Street, Suite 700, Ottawa, Ontario, K1P 1K6, Canada.

The transfer agent and registrar for the common shares is Equity Transfer and Trust Company, 120 Adelaide St. W., Suite 420, Toronto, Ontario, M5H 4C3, Canada.

## **LEGAL MATTERS**

Certain legal matters relating to the Offering will be passed upon by McCarthy Tétrault LLP on behalf of the Company and by Cassels Brock & Blackwell LLP on behalf of the Underwriters. The partners, counsel and associates of McCarthy Tétrault LLP and Cassels Brock & Blackwell LLP, each as a group, beneficially own, directly or indirectly, less than one percent of the outstanding common shares.

## **INTERESTS OF EXPERTS**

None of the directors, officers, principals and associates of Scott Wilson Roscoe Postle Associates Inc. (formerly Roscoe Postle Associates Inc.), the author of the Company's technical reports under National Instrument 43-101 for the Great Divide Basin Project, the Shirley Basin Project, and the Kaycee and Shamrock Projects, the Technical Report –Lost Creek and Technical Report – Lost Soldier (together, the "Reports") owned beneficially, directly or indirectly, or exercise any control over, any of the outstanding common shares of the Company as of the date of the Reports.

As of April 30, 2007, J. D. Charlton, P. Geo., of Charlton Mining Exploration Inc., the author of the Company's technical reports under National Instrument 43-101 for the Hornby Project and the Technical Report – Thelon Property beneficially holds options for 24,000 common shares of the Company. As of April 30, 2007, the options, if exercised for common shares, represent less than 0.05% of the issued and outstanding common shares of the Company. Mr. Charlton was granted these options on November 17, 2005 and entered into an acquisition agreement with the Company in September 2006 and received 10,000 common shares of the Company, each after preparation of his technical reports.

## **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.



## AUDITORS' CONSENT

We have read the short form prospectus of Ur-Energy Inc. (the "Company") dated May 1, 2007 relating to the issue and sale of 15,158,000 Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our auditors' report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years ended December 31, 2006 and 2005. Our report thereon is dated March 21, 2007.

*/s/ PricewaterhouseCoopers LLP*  
Chartered Accountants

Ottawa, Ontario, Canada  
May 1, 2007

**CERTIFICATE OF THE COMPANY**

Dated: May 1, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Manitoba and Ontario.

UR-ENERGY INC.

(signed) W. WILLIAM BOBERG  
*President and Chief Executive Officer*

(signed) JOHN MCNEICE  
*Chief Financial Officer*

On behalf of the Board of Directors of Ur-Energy Inc.

(signed) JEFFREY KLEND  
*Director*

(signed) ROBERT BOAZ  
*Director*

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**CERTIFICATE OF THE UNDERWRITERS**

Dated: May 1, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of British Columbia, Alberta, Manitoba and Ontario.

GMP SECURITIES L.P.

(signed) KEVIN REID  
SENIOR VICE PRESIDENT, INVESTMENT BANKING

RAYMOND JAMES LTD.

(signed) JOHN M. MURPHY  
MANAGING DIRECTOR

CANACCORD CAPITAL CORPORATION

(signed) ALI PEJMAN  
SENIOR VICE PRESIDENT, INVESTMENT  
BANKING

CORMARK SECURITIES INC.

(signed) DARREN WALLACE  
DIRECTOR, INVESTMENT BANKING

Suite 388  
1130 W. Pender Street  
Vancouver, BC V6E 4A4  
Tel: (604) 602-6767  
Fax: (604) 602-0235  
Email:stewart.wallis@scottwilson.com

**CONSENT OF AUTHOR**

To: Ur-Energy Inc.  
British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

I, C. Stewart Wallis, P. Geo., the author of the following reports: (i) Technical Report on Great Divide Basin Uranium Properties, Wyoming dated June 15, 2005 and revised October 20, 2005; (ii) Technical Report on the Shirley Basin Uranium Properties, Wyoming on June 20, 2005 and revised October 20, 2005, (iii) Technical Report on the Kaycee and Shamrock Uranium Properties, Wyoming, dated October 20, 2005, (iv) Technical Report on the Lost Creek Project, Wyoming, dated June 15, 2006, and (v) Technical Report on the Lost Soldier Project, Wyoming, dated July 10, 2006 (collectively, the "Reports") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Short Form Prospectus of Ur-Energy Inc. dated May 1, 2007 (the "Prospectus").

I certify that I have read the Prospectus 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated May 1, 2007

"signed & sealed"

C. Stewart Wallis P.Geo.

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CONSENT OF AUTHOR

To: Ur-Energy Inc.  
British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

I, J.D. Charlton, P. Geo., the author of the following report: Technical Report on the Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project, dated February 25, 2005 with revisions on June 22, 2005 and October 20, 2005; and (ii) Technical Report on the Mountain Lake and Dismal West Properties together comprising the Hornby Project, dated January 31, 2005 with revisions on October 20, 2005 (collectively, the "Report") do hereby consent to the written disclosure of my name and reference to, and incorporation by reference of, the Reports, in the Short Form Prospectus of Ur-Energy Inc. dated May 1, 2007 (the "Prospectus").

I certify that I have read the Prospectus 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 Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Dated May 1, 2007

/s/ John D. Charlton

J.D. Charlton

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**CONSENT OF QUALIFIED PERSON**

To: British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission  
Ontario Securities Commission

Dear Sirs/Mesdames:

Re: Ur-Energy Inc. Short Form Prospectus

I refer to the short form prospectus (the "Prospectus") of Ur-Uranium Inc. (the "Company") dated May 1, 2007 relating to the qualification of distribution of common shares of the Company as described therein.

I hereby consent to being named in the Prospectus under the heading "Use of Proceeds" in connection with the statement concerning the Company's work plan. I confirm that I have read the Prospectus and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the statements concerning the Company's work plan or that are within my knowledge as a result of the services I performed in connection with the Company's work plan.

Dated May 1, 2007

Yours truly,

/s/ W. William Boberg

W. William Boberg

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May 1, 2007

**FILED BY SEDAR**

Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Manitoba Securities Commission

Dear Sirs/Mesdames:

**RE: Ur-Energy Inc. (the "Company")  
Final Prospectus dated May 1, 2007 (the "Prospectus")**

We refer to the Prospectus of the Company relating to the offering of common shares of the Company.

We, as counsel to the Underwriters, hereby consent to the use of our firm name on page ii of the Prospectus and under the heading "Legal Matters" in the Prospectus, and to the use of our firm name and the reference to our opinion under the heading "Eligibility for Investment".

We confirm that we have read the Prospectus and that we have no reason to believe that there are any misrepresentations in the information contained therein that is derived from our opinion referred to above or that is within our knowledge as a result of the services we performed in connection therewith.

This letter is solely for the information of the above-mentioned jurisdictions and is not to be referred to in whole or in part in the Prospectus or any other similar document, and is not to be relied upon for any other purpose.

Yours truly,

*"Cassels Brock & Blackwell LLP"*

Legal\*2707212.1

**Cassels Brock & Blackwell LLP**

2100 Scotia Plaza, 40 King Street West, Toronto Canada M5H 3C2  
tel 416.869.5300 fax 416.360.8877 www.casselsbrock.com

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Barristers & Solicitors  
Patent & Trade-mark Agents

# McCarthy Tétrault

**McCarthy Tétrault LLP**  
40 Elgin Street, Suite 1400  
Ottawa ON K1S 1W4  
Canada  
Telephone: 613-238-2000  
Facsimile: 613-563-9386  
[www.mccarthy.ca](http://www.mccarthy.ca)

May 1, 2007

**VIA SEDAR**

British Columbia Securities Commission  
Alberta Securities Commission  
The Manitoba Securities Commission  
Ontario Securities Commission

Dear Sirs/Mesdames:

**Re: Ur-Energy Inc. (the "Corporation")**

We refer you to the final short form prospectus dated May 1, 2007 (the "Prospectus") of Corporation relating to an offering of 15,158,000 common shares of the Corporation. We hereby consent to being named in the Prospectus, on page 16 and under the heading "Legal Matters" the Prospectus, and to the use of the name of our firm and inclusion to our opinion under heading "Eligibility for Investment".

We also confirm that we have read the Prospectus and that we have no reason to believe there are any misrepresentations in the information contained in the Prospectus that are derived from our opinion referred to above or that are within our knowledge as a result of the services have performed to render this opinion.

This letter is provided in compliance with applicable securities legislation and policies and is to be used for any other purpose.

Yours truly,

*/s/ McCarthy Tétrault LLP*



May 1, 2007

British Columbia Securities Commission  
Alberta Securities Commission  
The Manitoba Securities Commission  
Ontario Securities Commission

Dear Sirs:

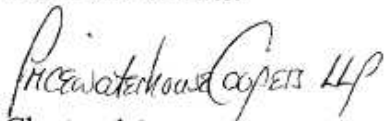
We refer to the short form prospectus of Ur-Energy Inc. (the "Company") dated May 1, 2007 relating to the sale and issue of 15,158,000 common shares.

We consent to the use, through incorporation by reference in the above-mentioned short form prospectus, of our report dated March 21, 2007 to the shareholders of the Company on the following financial statements:

- Consolidated balance sheets as at December 31, 2006 and 2005;
- Consolidated statements of operations and deficit and cash flows for the years ended December 31, 2006 and 2005.

We report that we have read the short form prospectus and all information specifically incorporated by reference therein and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the financial statements upon which we have reported or that are within our knowledge as a result of our audit of such financial statements.

This letter is provided solely for the purpose of assisting the securities regulatory authorities to which it is addressed in discharging their responsibilities and should not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter.



Chartered Accountants, Licensed Public Accountants  
Ottawa, Ontario



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19th Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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IN THE MATTER OF NATIONAL POLICY 43-201  
MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES

AND

IN THE MATTER OF

**Ur-Energy Inc.**

**DECISION DOCUMENT**

This final mutual reliance review system decision document evidences that final receipts of the regulators in each of **British Columbia, Alberta, Manitoba, Ontario** have been issued for the **Short Form Prospectus** of the above Issuer dated **May 1st, 2007**.

DATED at Toronto this **1st** day of **May, 2007**.

*Cameron McInnis*

Cameron McInnis  
Manager, Corporate Finance

SEDAR Project #1086502

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**EMPLOYMENT AGREEMENT**

THIS AGREEMENT entered into on January 1, 2007 between:

**UR-ENERGY USA, INC.**  
(hereinafter referred to as "Corporation")

and

**W. WILLIAM BOBERG**  
(hereinafter referred to as "Mr. Boberg")

**WHEREAS** Mr. Boberg is a resident of Littleton, Colorado (United States) and, through Boberg GeoTech International Ltd., as an independent contractor since 2004 through to the date hereof, has served in a variety of capacities with Ur-Energy Inc. ("Ur-Energy") (a Canadian corporation) and its Affiliates;

**AND WHEREAS** the Board of Directors of Ur-Energy agreed in principal in May 2006 that Mr. Boberg would become an employee of the Corporation and Mr. Boberg, continuing on a consulting basis until such time as the paperwork could be completed, received an increase in compensation in May 2006;

**AND WHEREAS** Mr. Boberg will hereafter be employed by the Corporation including to serve as the President and CEO of Ur-Energy and an officer of Ur-Energy's Affiliates, from time to time, pursuant to the terms of this Agreement;

**AND WHEREAS** the Corporation is desirous of employing Mr. Boberg and compensating him for his services as President and Chief Executive Officer of Ur-Energy and an officer of its Affiliates and Mr. Boberg is desirous of being so employed by the Corporation;

**AND WHEREAS** Mr. Boberg currently serves as a director of Ur-Energy and a director of its Affiliates, from time to time (for which he is not compensated);

**NOW THEREFORE**, for mutual consideration as set forth herein, it is agreed as follows:

**ARTICLE 1 - EMPLOYMENT TERMS**

1.01 **Services**

(1) Ur-Energy, through the Corporation, hereby agrees to hire Mr. Boberg to perform the duties and functions of President and Chief Executive Officer of Ur-Energy, or the substantial equivalent thereof, and as an officer of its Affiliates, from time to time. In each and all of these capacities, Mr. Boberg shall work at the direction of and reporting to the Board of Directors of each of those entities. Mr. Boberg may also serve as a director of Ur-Energy and its Affiliates, from time to time, subject to a vote to retain him as a director from year to year.

(2) Mr. Boberg agrees that he shall devote his best efforts and full business time to the business and affairs of Ur-Energy and its Affiliates and otherwise represent Ur-Energy and its Affiliates consistently with its best interests and with the policies and standards of Ur-Energy or its Affiliates. The foregoing full business-time commitment is subject to permitted vacation or leave time and subject to illness or injury. These services will be performed by Mr. Boberg to the best of his abilities in a diligent, trustworthy and businesslike fashion. Mr. Boberg acknowledges that he has a fiduciary obligation to each of Ur-Energy and its Affiliates.

(3) Mr. Boberg shall not engage in business activities which could reasonably be understood to conflict with his duties, responsibilities and obligations pursuant to this Agreement.

(4) "Affiliate" or "Affiliates" shall be understood to mean an entity that controls, is controlled by or is under common control with a second entity including a joint venture arrangement, and "control" as used in this Agreement shall mean either the possession, directly or indirectly, of 50% or more of the equity or voting power in another entity, or the right or lawful power to administer the affairs of another person or entity.

1.02 **Term**

This Agreement shall be effective January 1, 2007 and shall continue to May 19, 2008. This Agreement shall be renewed automatically for an additional twelve-month period, on the same terms and conditions, unless either party gives written Notice of termination or cancellation pursuant to the provisions of Section 3.01, or this Agreement is otherwise modified or amended pursuant to the provisions of Section 4.02. Any such Notice of cancellation must be received no later than ninety (90) days prior to the expiry of this or any subsequently-renewed agreement.

1.03 **Remuneration**

In consideration of the performance of his services and duties as President and Chief Executive Officer of Ur-Energy, Mr. Boberg will be paid a salary of US \$20,000 per month, less any deductions or withholdings required by law.

1.04 **Benefits**

The Corporation may adopt or continue in force benefits plans for the benefit of its employees or certain of its employees. The Corporation may terminate any or all such benefits plans at any time and may choose not to adopt any other plans. Mr. Boberg will be eligible to participate in any voluntary benefits plans the Corporation chooses to implement and to offer to other comparable employees. Mr. Boberg's rights under the benefits plans however shall be subject to and governed by the terms of those plans.

1.05 **Vacation**

Mr. Boberg will be entitled to four weeks of paid vacation in each twelve-month period. Such four week vacation entitlement will be pro-rated monthly for any part of a twelve-

month period in the event of termination. Mr. Boberg will take his vacation at a time or times reasonable for Ur-Energy and its Affiliates and Mr. Boberg in the circumstances. For greater certainty, Sections 1.05, 1.06 and 1.07 are provided to Mr. Boberg in lieu of "Paid Time Off" as set forth in the policies of Ur-Energy and its Affiliates.

1.06 **Compensatory Leave**

Mr. Boberg will be entitled to up to two weeks of paid compensatory leave in each twelve month period. Any such compensatory leave will be taken in consultation with the Board of Directors of Ur-Energy.

1.07 **Sick Leave**

Mr. Boberg will be entitled to up to 12 days of sick leave in each twelve month period.

1.08 **Performance Bonus**

Mr. Boberg shall be eligible to earn, in addition to the monthly salary, a performance bonus based on criteria to be determined by the Board of Directors of Ur-Energy including, but not limited to, the financial performance of Ur-Energy, the valuation of Ur-Energy's shares and Mr. Boberg's performance generally of the terms and conditions of this Agreement. Eligibility for the bonus will be evaluated following Ur-Energy's year-end on December 31 and, if a bonus is to be paid to Mr. Boberg, it will be paid on or before March 1 of the following year. A pro rata share of this performance bonus shall be paid if this Agreement is cancelled pursuant to the terms of Section 1.02 or terminated pursuant to the terms of Section 3, and in any event shall be paid as required by applicable law or regulation.

1.09 **Stock Options and Contractor Shares**

(1) Options to acquire capital stock of Ur-Energy granted to Mr. Boberg prior to the date hereof will vest in accordance with the original vesting schedule for such options and will continue to be governed under the terms and conditions of the "Ur-Energy Inc. Stock Option Plan 2005".

(2) Mr. Boberg shall be eligible to receive additional options, at the discretion of the Board of Directors of Ur-Energy, the number, vesting schedule and exercise price contingent on approval by the Board of Directors of Ur-Energy, with exercise and other rights to be governed by the terms of the stock option plan in force at the date of grant.

(3) Contractor shares (being common shares of Ur-Energy) granted to Mr. Boberg prior to the date hereof will continue to be issued and "vest" in accordance with the original schedule for such contractor shares or such other provisions as may be implemented by the Board of Directors of Ur-Energy from time to time.

1.10 **Expenses**

Ur-Energy or its Affiliates will promptly reimburse Mr. Boberg for out-of-pocket expenses, including reasonable travel costs, actually and properly incurred by him in connection with the performance of his duties hereunder. Mr. Boberg shall furnish receipts to Ur-Energy for all such expenses in accord with the then-current policy of Ur-Energy or its Affiliates for expenses.

**ARTICLE 2 – COVENANTS AND REPRESENTATIONS**

2.01 **Promotion of the Corporation's Interests; Representations of Ability to Perform**

(1) Mr. Boberg acknowledges and agrees that the execution of this Agreement and increased consideration for such employment are adequate for the good faith performance and considerations provided for in this Agreement. In relation to the services described in Section 1.01, Mr. Boberg agrees specifically to use his best efforts to promote the interests of Ur-Energy and its Affiliates and shall not use any information he may acquire with respect to the business and affairs of Ur-Energy and its Affiliates, for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates.

(2) Mr. Boberg will not, at any time after the date of this Agreement, do or say anything which is likely or intended to damage the goodwill or reputation of Ur-Energy and its Affiliates, or of any business carried on by Ur-Energy or its Affiliates, or which may lead any person, other than as part of good faith negotiations, either to cease to do business with Ur-Energy and its Affiliates on substantially equivalent terms to those previously offered, or not to engage in business with Ur-Energy and its Affiliates.

(3) Mr. Boberg represents and warrants that he is fully able to enter this Agreement, and to perform all duties, obligations and responsibilities contemplated. Mr. Boberg further represents and warrants that he is not a party to any other agreement which would conflict with the terms of this Agreement and that neither the execution nor performance of this Agreement by him will violate, conflict with or result in a breach of any provisions of another contract, nor will execution and full performance of this Agreement violate any court order, judgment, writ or injunction applicable to Mr. Boberg.

(4) Mr. Boberg agrees to adhere to the procedures and policies of Ur-Energy and its Affiliates that may be in place from time to time.

2.02 **Other Activities**

(1) It is agreed and acknowledged that Mr. Boberg may, from time to time, pursue other activities related to his professional services as a geologist. Mr. Boberg will not be required to seek leave to engage in such professional services, provided that there is neither a conflict of business interest, nor a conflict of his obligations set forth under this Agreement.

(2) Further, Mr. Boberg may, from time to time, be requested to furnish his services as a director to another corporation or similar such position. Permission to provide such services shall be sought by Mr. Boberg and shall be granted reasonably by Ur-Energy. No such leave to serve as a director for any non-profit or other charitable organization shall be required, insofar as such service does not conflict with the terms of this Agreement.

#### 2.03 **Independent Contractor Agreement**

(1) The parties hereby acknowledge the existence of that certain Contract between Ur-Energy and Boberg GeoTech International Ltd., and the amendment thereto (collectively, "Independent Contractor Agreement") through which Mr. Boberg has been serving Ur-Energy and its Affiliates since 2004. This Agreement, it is understood, is meant to and shall supersede the Independent Contractor Agreement in all ways except with respect to confidential information which shall still apply and continue forward as obligations and rights of these parties: All matters and information considered to be confidential which have been revealed to Mr. Boberg during the pendency of the Independent Contractor Agreement shall remain confidential and shall be integrated into the provisions of this Agreement for the maintenance of Confidential Information.

(2) The Independent Contractor Agreement is otherwise terminated and this Agreement shall hereafter control the relationship of these parties. Termination of the Independent Contractor Agreement shall be without penalty to either party without further notice for same.

#### 2.04 **Proprietary and Confidential Information and Work Product**

(1) Mr. Boberg acknowledges that, by reason of his previous contractor status with Ur-Energy pursuant to the Independent Contractor Agreement and hereinafter by reason of his employment with Ur-Energy and its Affiliates, he has had and will have access to proprietary and confidential information as defined hereinafter. Mr. Boberg agrees that, during and after his employment with Ur-Energy and its Affiliates, he will not disclose to any person, except in the proper course of his employment and performance of this Agreement, and will not use for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates, any Confidential Information disclosed to or acquired by him.

(2) "Confidential Information" for the purposes of this Agreement means secret, confidential or proprietary information of Ur-Energy and its Affiliates, including, but not limited to: data, geological and geophysical information and analyses, assets, acquisition or production strategies, trade secrets, information relating to operations, processes or procedures, customer and supplier lists and other confidential information whether technical, commercial or financial, business strategies or plans, details of contracts, and marketing methods, plans or strategies, concerning the business and affairs of Ur-Energy and its Affiliates. For purposes of this Agreement, the term Confidential Information does not include any information that is or becomes generally available to and known by the public (other than as a result of an un-permitted disclosure directly or indirectly by Mr. Boberg or another). In addition, Mr. Boberg may disclose secret, proprietary or Confidential Information to the extent (a) he is legally compelled to disclose such information, provided that Mr. Boberg shall promptly notify

Corporation and/or Ur-Energy of such request or requirement, if that notification can be made without violating the terms of such compelled disclosure and Mr. Boberg uses reasonable efforts to obtain from the party to whom disclosure is made written assurance that confidential treatment will be accorded to such portion as is disclosed; (b) such disclosure is required in any legal proceeding between Mr. Boberg and Ur-Energy and its Affiliates in order for Mr. Boberg to defend or pursue any claim in any legal or administrative proceeding.

(3) Ur-Energy and its Affiliates acknowledge that certain information, set out in an inventory agreed by the parties, in use by Ur-Energy and its Affiliates is owned by Mr. Boberg ("Boberg Property"). The Boberg Property will not form part of the Confidential Information upon expiry, termination or cancellation of this Agreement; however, any Work Product, as defined below, that results from the use of the Boberg Property will remain the property of Ur-Energy and its Affiliates. Any work product or derivative work that results from the use of the Boberg Property performed by any other employee or consultant of Ur-Energy and its Affiliates will remain the property of Ur-Energy and its Affiliates.

(4) Any and all products of the work performed or created by Mr. Boberg under this Agreement or in connection with the services (collectively, "Work Product") shall be the sole and exclusive property of Ur-Energy and all such Work Product shall become the property of Ur-Energy from and at such time as it is created. Mr. Boberg shall have no right to use any such Work Product except in connection with performing Services pursuant to this Agreement. Without limiting the foregoing, to the greatest extent possible, any and all Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.), and Mr. Boberg hereby unconditionally and irrevocably transfers and assigns to Ur-Energy all rights, title and interest Mr. Boberg currently has or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights and agrees that Ur-Energy shall have the exclusive world-wide ownership of all such items, and that no such items shall be treated as or deemed to be a "joint work" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.) of Mr. Boberg and Ur-Energy or otherwise. Mr. Boberg further warrants and agrees to take such other actions as Ur-Energy may reasonably request to perfect and protect Ur-Energy's interest in any Work Product.

(5) Mr. Boberg acknowledges that the breach of any of the covenants contained in the Section 2.04 concerning Confidential Information and Work Product will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Boberg acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Boberg from disclosing, in whole or in part, any Confidential Information or utilizing or disseminating Work Product. Such court of competent jurisdiction may order Mr. Boberg to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.04) .



(6) In addition, in the event of any breach of Section 2.04 Ur-Energy and its Affiliates will be relieved of any further obligations pursuant to this Agreement to make any payments to Mr. Boberg or provide him with any benefits as outlined in Section 1.04, except those in Section 3.01.

(7) If any provision, or part(s) thereof, of this Section 2.04 governing Confidential Information and Work Product shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision(s) and shall not in any way affect or render invalid or unenforceable any other provisions of this Section 2.04 or any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed, and any court of competent jurisdiction or arbiters, as the case may be, are authorized to so reform such invalid or unenforceable provision, or part thereof, so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.

(8) The obligations of this Section 2.04 shall survive the expiry, cancellation or termination of this Agreement for any reason.

2.05 **No Competition; No Solicitation**

(1) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Boberg shall not directly or indirectly provide professional services to any person, firm or business which is engaged in the exploration for and development of uranium mineral properties (i) within 5 miles of the boundaries of each of the property claim groups in the United States of America owned, leased, licensed or otherwise held by Ur-Energy and its Affiliates, more fully described on Schedule A hereto, (ii) within 5 miles of the perimeter of each of the Hornby Basin located in the Northwest Territories/Nunavut, Canada and the Thelon Basin located in the Northwest Territories, Canada, and (iii) within 5 miles of the boundaries of any other mineral properties owned, leased or licensed or otherwise held by Ur-Energy and its Affiliates or under consideration by Ur-Energy and its Affiliates at the time of the expiry, cancellation or termination of this Agreement, a list or map of which will be created by Ur-Energy at the time of termination. Mr. Boberg acknowledges and agrees that the services he will provide to Ur-Energy and its Affiliates and the Confidential Information he will obtain, are unique in nature, and that Ur-Energy and its Affiliates would be irreparably harmed if Mr. Boberg were to provide similar services to or divulge any proprietary or Confidential Information to another person, firm or business who are engage in a similar or competing business.

(2) Mr. Boberg acknowledges and agrees that the term and geographic restriction of this agreement not to compete are both reasonable, and moreover that if a Court should find otherwise Mr. Boberg agrees that such Court should uphold this provision and redefine the restriction in duration, geographic scope or other way in which the Court does not find the restriction to be reasonable.

(3) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Boberg shall not directly or indirectly induce or attempt to induce any member of management or professional staff of Ur-Energy or its Affiliates to terminate

his/her employment with Ur-Energy or its Affiliate to become employed by any energy-related business with which Mr. Boberg is associated.

(4) Mr. Boberg acknowledges that the breach of any of the covenants contained in Section 2.05 concerning this agreement for non-solicitation of management and professional staff and to not compete with the business(es) of Ur-Energy and its Affiliates will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Boberg acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Boberg from competing in contravention of the above provisions or soliciting employees of Ur-Energy or its Affiliates as the events may be. Such court of competent jurisdiction may order Mr. Boberg to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.05) .

#### 2.06 **Return of Property**

Upon expiry, cancellation or termination of this Agreement, Mr. Boberg shall return to Ur-Energy or the Affiliates of either, any data, property, documentation, or Confidential Information which is the property of any of these entities; and, such data, property, documentation or Confidential Information shall remain the property or Confidential Information of Ur-Energy or its Affiliates.

### **ARTICLE 3 – TERMINATION**

#### 3.01 **Termination of Agreement**

(1) It is understood and agreed that any termination of this Agreement shall result in the termination of Mr. Boberg's service as President and Chief Executive Officer of Ur-Energy and as an officer of any Ur-Energy's Affiliates, unless the parties shall agree otherwise at the time of termination by further written agreement.

(2) Mr. Boberg may terminate this Agreement by giving Ur-Energy three (3) months' prior notice in writing pursuant to the provisions of Section 4.01, below. Such notice is excused in the event of death or if disability occurs and makes such notice impracticable.

(3) Ur-Energy, through the Corporation, may terminate this Agreement at any time for just cause without prior notice or pay in lieu of notice. For the purposes of this Section, "just cause" shall include but is not limited to:

- (a) theft, fraud or dishonesty by Mr. Boberg involving the property, business or affairs of Ur-Energy or its Affiliates, or in carrying out his duties under this Agreement; or

(b) any material breach or non-observance of any material term of this Agreement. In the case of material breach or non-observance of a material term of this Agreement, Ur-Energy shall give Notice to Mr. Boberg (as provided in Section 4.01) of the material breach or non-observance of this Agreement and Mr. Boberg shall have thirty (30) days (or such other reasonable period as shall be determined by the notifying party) to cure the breach or non-observance of a material term of this Agreement.

(4) Except as provided in subsection (5) below, Ur-Energy, through the Corporation, may terminate this Agreement for any other reason which does not violate this Agreement or applicable law. Upon such termination, Ur-Energy will provide Mr. Boberg with a lump sum payment equivalent to two years' base salary as set forth in this Agreement, which payment will only be payable to Mr. Boberg upon Mr. Boberg providing a release to Ur-Energy and its Affiliates.

(5) In the event of a Change of Control of Ur-Energy (as defined below) or within 12 months of the Change of Control, (i) Ur-Energy, through the Corporation, or its successors may terminate the Agreement or (ii) Mr. Boberg may terminate this Agreement in the event that his position including duties, responsibility and general scope of authority and compensation do not remain substantially equivalent. Upon such termination, Ur-Energy will provide Mr. Boberg with a lump sum payment equivalent to two years' base salary as set forth in this Agreement upon Mr. Boberg providing a release to Ur-Energy and its Affiliates or their successors.

"Change of Control" shall have occurred on the happening of any of the following events, provided that such event is a change in the ownership or effective control of Ur-Energy or a change in the ownership of a substantial portion of the assets of Ur-Energy as defined in the regulations promulgated under Section 409A of the Internal Revenue Code of 1986, as amended:

- (a) 50% or more of the voting shares of Ur-Energy become owned beneficially by a person or group of persons acting jointly or in concert; or
- (b) the individuals who are members of the Board of Directors of Ur-Energy (the "Incumbent Board") cease for any reason to constitute at least fifty percent (50%) of the Board of Directors of Ur-Energy; provided, however, that if the election, or nomination for election, of any new Directors was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; or
- (c) beneficial ownership of assets of Ur-Energy representing 40% or more of the net book value of the assets of Ur-Energy determined on the basis of the then most recently published audited financial statements of Ur-Energy, shall be sold, transferred, liquidated or otherwise disposed of or distributed by Ur-Energy over a period of one year or less, in any manner whatsoever and whether in one transaction or in a series of transactions or by plan of arrangement; or

- (d) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any event or transaction or series of events or transactions referred to in subsections (a), (b) or (c) above; or
- (e) a determination by the Board of Directors of Ur-Energy that there has been a change, whether by way of a change in the holding of voting shares of Ur-Energy in the ownership of Ur-Energy's assets or by any other means, as a result of which any person, or any group of persons acting jointly or in concert is in a position to exercise effective control of Ur-Energy.
- (6) The parties agree that if this Agreement is terminated by Ur-Energy, through the Corporation, without cause, the payment to Mr. Boberg in accordance with the preceding Section 3.01 shall be inclusive of any statutory amounts required by law upon termination of employment.

#### **ARTICLE 4 – GENERAL CONTRACT PROVISIONS**

##### 4.01 **Notices**

All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- (a) To Ur-Energy Inc. and the Corporation at:  
 1128 Clapp Lane  
 P. O. Box 279  
 Manotick, Ontario K4M 1A3  
 Attention: Chief Financial Officer

with a copy:

McCarthy Tétrault LLP  
 40 Elgin Street, Suite 1400  
 Ottawa, Ontario K1P 5K6  
 Attention: Virginia Schweitzer

- (b) To Mr. Boberg at:  
 5 Blue Cedar  
 Littleton, Colorado, USA 80127

or at such other address as may be given by such party or person to the other parties hereto in writing from time to time and pursuant to the terms of this Section.

**4.02 Entire Agreement**

(1) This Agreement and the documents referenced and incorporated herein constitute the entire Agreement between these parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

(2) This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto, with the exception that Ur-Energy, through the Corporation, may unilaterally may modify this Agreement at any time to avoid non compliance or the possibility of incurring penalties pursuant to any law or regulation, including specifically but not limited to the Internal Revenue Code.

**4.03 Inurement**

This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.

**4.04 Assignment**

(1) Ur-Energy, through the Corporation, will not assign this Agreement unless agreed to by Mr. Boberg and Ur-Energy in writing but Ur-Energy shall have the right to so assign this Agreement without such mutual agreement in the event of a Change of Control.

(2) Mr. Boberg's rights and obligations under this Agreement are personal and such rights, benefits, and obligations shall not be assigned, alienated, or transferred without the prior written consent of Ur-Energy, other than in the case of death, disability or incompetence of Mr. Boberg, in which instance any remaining rights or benefits shall be permitted to be assigned or otherwise legally transferred without written consent.

**4.05 Third Party Beneficiaries**

This Agreement does not and shall not confer any rights or remedies upon another person other than the parties and their respective successors and permitted assigns as provided in Sections 4.03 and 4.04.

**4.06 Remedies in Event of Future Dispute**

(1) In the event of a future dispute, the parties agree that they will first attempt to resolve any dispute which does not give rise to injunctive relief (specifically including but not limited to any dispute concerning Confidential Information or the provisions of Sections 2.04 and 2.05 hereto) through confidential mediation to occur within 30 days of Notice by the party asserting claims or otherwise seeking redress.

(2) In the event that such mediation shall fail, the parties agree to waive any right to a jury trial and shall proceed with any litigation to the court in the jurisdiction(s) provided for and agreed upon below.

**4.07 Headings for Convenience Only**

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**4.08 Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and each of the parties hereto agrees irrevocably to attorn to the jurisdiction of the courts of the State of Colorado.

**4.09 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

**4.10 Survival**

Sections 2.04, 2.05, 2.06, 3.01, 4.01, 4.06, 4.08 and 4.09, and all defined terms in this Agreement necessary to understand and enforce those Sections, shall survive the expiry, cancellation or termination for any reason of this Agreement and such Sections will continue with full force.

**4.11 Counterparts**

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

**4.12 Transmission by Facsimile**

The parties agree that this Agreement may be transmitted by facsimile or similar device or electronically and that the reproduction of signatures by facsimile or other electronic means shall be treated as binding as if originals. Notwithstanding the foregoing, each party undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**4.13 Legal Representation and Legal Expenses**

Both parties acknowledge the import of this Agreement and each has retained counsel to review the Agreement and to participate in the negotiation of its terms and language. Ur-Energy will reimburse Mr. Boberg on demand for all reasonable out-of-pocket expenses incurred by him for his reasonable independent legal counsel and services in connection with the negotiation, drafting and signature of this Agreement.

IN WITNESS WHEREOF the parties have duly executed this Employment Agreement on the dates indicated below,

**UR-ENERGY USA, INC.**

Per: /s/ Jeffrey T. Klenda  
Name: Jeffrey T. Klenda  
Title: Chairman

SIGNED this 19<sup>th</sup> day of )  
December, 2006 )  
in the presence of )  
)  
)  
/s/ Judy Holgerson )  
Witness )

/s/ W. William Boberg  
W. William Boberg



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**EMPLOYMENT AGREEMENT**

THIS AGREEMENT entered into on January 1, 2007 between:

**UR-ENERGY USA, INC.**  
(hereinafter referred to as "Corporation")

and

**HAROLD A. BACKER**  
(hereinafter referred to as "Mr. Backer")

**WHEREAS** Mr. Backer is a resident of Parker, Colorado (United States) and has been an independent contractor since May 2005 through to the date hereof and has been an officer of Ur-Energy Inc. ("Ur-Energy") (a Canadian corporation) and its Affiliates;

**AND WHEREAS** the Board of Directors of Ur-Energy agreed in principal in May 2006 that Mr. Backer would become an employee of the Corporation and Mr. Backer, continuing on a consulting basis until such time as the paperwork could be completed;

**AND WHEREAS** Mr. Backer will hereafter be employed by the Corporation including to serve as Vice President, US Operations of Ur-Energy and an officer of Ur-Energy's Affiliates, from time to time, pursuant to the terms of this Agreement;

**AND WHEREAS** the Corporation is desirous of employing Mr. Backer and compensating him for his services as Vice President, US Operations of Ur-Energy and an officer of its Affiliates and Mr. Backer is desirous of being so employed by Ur-Energy and the Corporation;

**NOW THEREFORE**, for mutual consideration as set forth herein, it is agreed as follows:

**ARTICLE 1 - EMPLOYMENT TERMS**

1.01 **Services**

(1) Ur-Energy, through the Corporation, hereby agrees to hire Mr. Backer to perform the duties and functions of Vice President, US Operations of Ur-Energy, or the substantial equivalent thereof, and as an officer of its Affiliates, from time to time. In each and all of these capacities, Mr. Backer shall work at the direction of and reporting to the Chief Executive Officer of each of those entities.

(2) Mr. Backer agrees that he shall devote his best efforts and full business time to the business and affairs of Ur-Energy and its Affiliates and otherwise represent Ur-Energy and its Affiliates consistently with its best interests and with the policies and standards of Ur-Energy or its Affiliates. The foregoing full business-time commitment is subject to permitted vacation or



leave time and subject to illness or injury. These services will be performed by Mr. Backer to the best of his abilities in a diligent, trustworthy and businesslike fashion. Mr. Backer acknowledges that he has a fiduciary obligation to each of Ur-Energy and its Affiliates.

(3) Mr. Backer shall not engage in business activities which could reasonably be understood to conflict with his duties, responsibilities and obligations pursuant to this Agreement.

(4) "Affiliate" or "Affiliates" shall be understood to mean an entity that controls, is controlled by or is under common control with a second entity including a joint venture arrangement, and "control" as used in this Agreement shall mean either the possession, directly or indirectly, of 50% or more of the equity or voting power in another entity, or the right or lawful power to administer the affairs of another person or entity.

1.02 **Term**

This Agreement shall be effective January 1, 2007 and shall continue to May 19, 2008. This Agreement shall be renewed automatically for an additional twelve-month period, on the same terms and conditions, unless either party gives written Notice of termination or cancellation pursuant to the provisions of Section 3.01, or this Agreement is otherwise modified or amended pursuant to the provisions of Section 4.02. Any such Notice of cancellation must be received no later than ninety (90) days prior to the expiry of this or any subsequently-renewed agreement.

1.03 **Remuneration**

In consideration of the performance of his services and duties as Vice President, US Operations of Ur-Energy, Mr. Backer will be paid a salary of US \$12,000 per month, less any deductions or withholdings required by law.

1.04 **Benefits**

The Corporation may adopt or continue in force benefits plans for the benefit of its employees or certain of its employees. The Corporation may terminate any or all such benefits plans at any time and may choose not to adopt any other plans. Mr. Backer will be eligible to participate in any voluntary benefits plans the Corporation chooses to implement and to offer to other comparable employees. Mr. Backer's rights under the benefits plans however shall be subject to and governed by the terms of those plans.

1.05 **Vacation**

Mr. Backer will be entitled to four weeks of paid vacation each twelve-month period. Such four week vacation entitlement will be pro-rated monthly for any part of a twelvemonth period in the event of termination. Mr. Backer will take his vacation at a time or times reasonable for Ur-Energy and its Affiliates and Mr. Backer in the circumstances. For greater certainty, Sections 1.05 and 1.06 are provided to Mr. Backer in lieu of "Paid Time Off" as set forth in policies of Ur-Energy and its Affiliates.

1.06 **Sick Leave**

Mr. Backer will be entitled to up to 12 days of sick leave in each twelve month period.

1.07 **Performance Bonus**

Mr. Backer shall be eligible to earn, in addition to the monthly salary, a performance bonus based on criteria to be determined by the Board of Directors of Ur-Energy including, but not limited to, the financial performance of Ur-Energy, the valuation of Ur-Energy's shares and Mr. Backer's performance generally of the terms and conditions of this Agreement. Eligibility for the bonus will be evaluated following Ur-Energy's year-end on December 31 and, if a bonus is to be paid to Mr. Backer, it will be paid on or before March 1 of the following year. A pro rata share of this performance bonus shall be paid if this Agreement is cancelled pursuant to the terms of Section 1.02 or terminated pursuant to the terms of Section 3, and in any event shall be paid as required by applicable law or regulation.

1.08 **Stock Options**

(1) Options to acquire capital stock of Ur-Energy granted to Mr. Backer prior to the date hereof will vest in accordance with the original vesting schedule for such options and will continue to be governed under the terms and conditions of the "Ur-Energy Inc. Stock Option Plan 2005".

(2) Mr. Backer shall be eligible to receive additional options, at the discretion of the Board of Directors of Ur-Energy, the number, vesting schedule and exercise price contingent on approval by the Board of Directors of Ur-Energy, with exercise and other rights to be governed by the terms of the stock option plan in force at the date of grant.

1.09 **Expenses**

Ur-Energy or its Affiliates will promptly reimburse Mr. Backer for out-of-pocket expenses, including reasonable travel costs, actually and properly incurred by him in connection with the performance of his duties hereunder. Mr. Backer shall furnish receipts to Ur-Energy for all such expenses in accord with the then-current policy of Ur-Energy or its Affiliates for expenses.

**ARTICLE 2 – COVENANTS AND REPRESENTATIONS**

2.01 **Promotion of the Corporation's Interests; Representations of Ability to Perform**

(1) Mr. Backer acknowledges and agrees that the execution of this Agreement and increased consideration for such employment are adequate for the good faith performance and considerations provided for in this Agreement. In relation to the services described in Section 1.01, Mr. Backer agrees specifically to use his best efforts to promote the interests of Ur-Energy and its Affiliates and shall not use any information he may acquire with respect to the business

and affairs of Ur-Energy and its Affiliates, for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates.

(2) Mr. Backer will not, at any time after the date of this Agreement, do or say anything which is likely or intended to damage the goodwill or reputation of Ur-Energy and its Affiliates, or of any business carried on by Ur-Energy or its Affiliates, or which may lead any person, other than as part of good faith negotiations, either to cease to do business with Ur-Energy and its Affiliates on substantially equivalent terms to those previously offered, or not to engage in business with Ur-Energy and its Affiliates.

(3) Mr. Backer represents and warrants that he is fully able to enter this Agreement, and to perform all duties, obligations and responsibilities contemplated. Mr. Backer further represents and warrants that he is not a party to any other agreement which would conflict with the terms of this Agreement and that neither the execution nor performance of this Agreement by him will violate, conflict with or result in a breach of any provisions of another contract, nor will execution and full performance of this Agreement violate any court order, judgment, writ or injunction applicable to Mr. Backer.

(4) Mr. Backer agrees to adhere to the procedures and policies of Ur-Energy and its Affiliates that may be in place from time to time.

#### 2.02 **Independent Contractor Agreement**

(1) The parties hereby acknowledge the existence of that certain Contract between Ur-Energy and Mr. Backer and the amendment thereto (collectively, "Independent Contractor Agreement") through which Mr. Backer has been serving Ur-Energy and its Affiliates since May 2005. This Agreement, it is understood, is meant to and shall supersede the Independent Contractor Agreement in all ways except with respect to confidential information which shall still apply and continue forward as obligations and rights of these parties: All matters and information considered to be confidential which have been revealed to Mr. Backer during the pendency of the Independent Contractor Agreement shall remain confidential and shall be integrated into the provisions of this Agreement for the maintenance of Confidential Information.

(2) The Independent Contractor Agreement is otherwise terminated and this Agreement shall hereafter control the relationship of these parties. Termination of the Independent Contractor Agreement shall be without penalty to either party without further notice for same.

#### 2.03 **Proprietary and Confidential Information and Work Product**

(1) Mr. Backer acknowledges that, by reason of his previous contractor status with Ur-Energy pursuant to the Independent Contractor Agreement and hereinafter by reason of his employment with Ur-Energy and its Affiliates, he has had and will have access to proprietary and confidential information as defined hereinafter. Mr. Backer agrees that, during and after his employment with Ur-Energy and its Affiliates, he will not disclose to any person, except in the proper course of his employment and performance of this Agreement, and will not use for his

own purposes or for any purposes other than those of Ur-Energy and its Affiliates, any Confidential Information disclosed to or acquired by him.

(2) “Confidential Information” for the purposes of this Agreement means secret, confidential or proprietary information of Ur-Energy and its Affiliates, including, but not limited to: data, geological and geophysical information and analyses, assets, acquisition or production strategies, trade secrets, information relating to operations, processes or procedures, customer and supplier lists and other confidential information whether technical, commercial or financial, business strategies or plans, details of contracts, and marketing methods, plans or strategies, concerning the business and affairs of Ur-Energy and its Affiliates. For purposes of this Agreement, the term Confidential Information does not include any information that is or becomes generally available to and known by the public (other than as a result of an un-permitted disclosure directly or indirectly by Mr. Backer or another). In addition, Mr. Backer may disclose secret, proprietary or Confidential Information to the extent (a) he is legally compelled to disclose such information, provided that Mr. Backer shall promptly notify Corporation and/or Ur-Energy of such request or requirement, if that notification can be made without violating the terms of such compelled disclosure and Mr. Backer uses reasonable efforts to obtain from the party to whom disclosure is made written assurance that confidential treatment will be accorded to such portion as is disclosed; (b) such disclosure is required in any legal proceeding between Mr. Backer and Ur-Energy and its Affiliates in order for Mr. Backer to defend or pursue any claim in any legal or administrative proceeding.

(3) Any and all products of the work performed or created by Mr. Backer under this Agreement or in connection with the services (collectively, “Work Product”) shall be the sole and exclusive property of Ur-Energy and all such Work Product shall become the property of Ur-Energy from and at such time as it is created. Mr. Backer shall have no right to use any such Work Product except in connection with performing Services pursuant to this Agreement. Without limiting the foregoing, to the greatest extent possible, any and all Work Product shall be deemed to be “work made for hire” (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.), and Mr. Backer hereby unconditionally and irrevocably transfers and assigns to Ur-Energy all rights, title and interest Mr. Backer currently has or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights and agrees that Ur-Energy shall have the exclusive world-wide ownership of all such items, and that no such items shall be treated as or deemed to be a “joint work” (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.) of Mr. Backer and Ur-Energy or otherwise. Mr. Backer further warrants and agrees to take such other actions as Ur-Energy may reasonably request to perfect and protect Ur-Energy’s interest in any Work Product.

(4) Mr. Backer acknowledges that the breach of any of the covenants contained in the Section 2.03 concerning Confidential Information and Work Product will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Backer acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent),

together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Backer from disclosing, in whole or in part, any Confidential Information or utilizing or disseminating Work Product. Such court of competent jurisdiction may order Mr. Backer to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.03) .

(5) In addition, in the event of any breach of Section 2.03 Ur-Energy and its Affiliates will be relieved of any further obligations pursuant to this Agreement to make any payments to Mr. Backer or provide him with any benefits as outlined in Section 1.04, except those in Section 3.01.

(6) If any provision, or part(s) thereof, of this Section 2.03 governing Confidential Information and Work Product shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision(s) and shall not in any way affect or render invalid or unenforceable any other provisions of this Section 2.03 or any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed, and any court of competent jurisdiction or arbiters, as the case may be, are authorized to so reform such invalid or unenforceable provision, or part thereof, so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.

(7) The obligations of this Section 2.03 shall survive the expiry, cancellation or termination of this Agreement for any reason.

#### 2.04 **No Competition; No Solicitation**

(1) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Backer shall not directly or indirectly provide professional services to any person, firm or business which is engaged in the exploration for and development of uranium mineral properties (i) within 5 miles of the boundaries of each of the property claim groups in the United States of America owned, leased, licensed or otherwise held by Ur-Energy and its Affiliates, more fully described on Schedule A hereto, (ii) within 5 miles of the perimeter of each of the Hornby Basin located in the Northwest Territories/Nunavut, Canada and the Thelon Basin located in the Northwest Territories, Canada, and (iii) within 5 miles of the boundaries of any other mineral properties owned, leased or licensed or otherwise held by Ur-Energy and its Affiliates or under consideration by Ur-Energy and its Affiliates at the time of the expiry, cancellation or termination of this Agreement, a list or map of which will be created by Ur-Energy at the time of termination. Mr. Backer acknowledges and agrees that the services he will provide to Ur-Energy and its Affiliates and the Confidential Information he will obtain, are unique in nature, and that Ur-Energy and its Affiliates would be irreparably harmed if Mr. Backer were to provide similar services to or divulge any proprietary or Confidential Information to another person, firm or business who are engage in a similar or competing business.

(2) Mr. Backer acknowledges and agrees that the term and geographic restriction of this agreement not to compete are both reasonable, and moreover that if a Court should find otherwise Mr. Backer agrees that such Court should uphold this provision and redefine the

restriction in duration, geographic scope or other way in which the Court does not find the restriction to be reasonable.

(3) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Backer shall not directly or indirectly induce or attempt to induce any member of management or professional staff of Ur-Energy or its Affiliates to terminate his/her employment with Ur-Energy or its Affiliate to become employed by any energy-related business with which Mr. Backer is associated.

(4) Mr. Backer acknowledges that the breach of any of the covenants contained in Section 2.04 concerning this agreement for non-solicitation of management and professional staff and to not compete with the business(es) of Ur-Energy and its Affiliates will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Backer acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Backer from competing in contravention of the above provisions or soliciting employees of Ur-Energy or its Affiliates as the events may be. Such court of competent jurisdiction may order Mr. Backer to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.04) .

#### 2.05 **Return of Property**

Upon expiry, cancellation or termination of this Agreement, Mr. Backer shall return to Ur-Energy or the Affiliates of either, any data, property, documentation, or Confidential Information which is the property of any of these entities; and, such data, property, documentation or Confidential Information shall remain the property or Confidential Information of Ur-Energy or its Affiliates.

### **ARTICLE 3 – TERMINATION**

#### 3.01 **Termination of Agreement**

(1) It is understood and agreed that any termination of this Agreement shall result in the termination of Mr. Backer's service as Vice President, US Operations of Ur-Energy and as an officer of any Ur-Energy's Affiliates, unless the parties shall agree otherwise at the time of termination by further written agreement.

(2) Mr. Backer may terminate this Agreement by giving Ur-Energy three (3) months' prior notice in writing pursuant to the provisions of Section 4.01, below. Such notice is excused in the event of death or if disability occurs and makes such notice impracticable.

(3) Ur-Energy, through the Corporation, may terminate this Agreement at any time for just cause without prior notice or pay in lieu of notice. For the purposes of this Section, “just cause” shall include but is not limited to:

- (a) theft, fraud or dishonesty by Mr. Backer involving the property, business or affairs of Ur-Energy or its Affiliates, or in carrying out his duties under this Agreement; or
- (b) any material breach or non-observance of any material term of this Agreement. In the case of material breach or non-observance of a material term of this Agreement, Ur-Energy shall give Notice to Mr. Backer (as provided in Section 4.01) of the material breach or non-observance of this Agreement and Mr. Backer shall have thirty (30) days (or such other reasonable period as shall be determined by the notifying party) to cure the breach or non-observance of a material term of this Agreement.

(4) Except as provided in subsection (5) below, Ur-Energy, through the Corporation, may terminate this Agreement for any other reason which does not violate this Agreement or applicable law. Upon such termination, Ur-Energy will provide Mr. Backer with a lump sum payment equivalent to two years’ base salary as set forth in this Agreement, which payment will only be payable to Mr. Backer upon Mr. Backer providing a release to Ur-Energy and its Affiliates.

(5) In the event of a Change of Control of Ur-Energy (as defined below) or within 12 months of the Change of Control, (i) Ur-Energy, through the Corporation, or its successors may terminate the Agreement, or (ii) Mr. Backer may terminate this Agreement in the event that his position including duties, responsibilities and general scope of authority and compensation do not remain substantially equivalent. Upon such termination, Ur-Energy will provide Mr. Backer with a lump sum payment equivalent to two years’ base salary as set forth in this Agreement upon Mr. Backer providing a release to Ur-Energy and its Affiliates or their successors.

“Change of Control” shall have occurred on the happening of any of the following events, provided that such event is a change in the ownership or effective control of Ur-Energy or a change in the ownership of a substantial portion of the assets of Ur-Energy as defined in the regulations promulgated under Section 409A of the Internal Revenue Code of 1986, as amended:

- (a) 50% or more of the voting shares of Ur-Energy become owned beneficially by a person or group of persons acting jointly or in concert; or
- (b) the individuals who are members of the Board of Directors of Ur-Energy (the “Incumbent Board”) cease for any reason to constitute at least fifty percent (50%) of the Board of Directors of Ur-Energy; provided, however, that if the election, or nomination for election, of any new Directors was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; or

- (c) beneficial ownership of assets of Ur-Energy representing 40% or more of the net book value of the assets of Ur-Energy determined on the basis of the then most recently published audited financial statements of Ur-Energy, shall be sold, transferred, liquidated or otherwise disposed of or distributed by Ur-Energy over a period of one year or less, in any manner whatsoever and whether in one transaction or in a series of transactions or by plan of arrangement; or
- (d) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any event or transaction or series of events or transactions referred to in subsections (a), (b) or (c) above; or
- (e) a determination by the Board of Directors of Ur-Energy that there has been a change, whether by way of a change in the holding of voting shares of Ur-Energy in the ownership of Ur-Energy's assets or by any other means, as a result of which any person, or any group of persons acting jointly or in concert is in a position to exercise effective control of Ur-Energy.
- (6) The parties agree that if this Agreement is terminated by Ur-Energy, through the Corporation, without cause, the payment to Mr. Backer in accordance with the preceding Section 3.01 shall be inclusive of any statutory amounts required by law upon termination of employment.

#### **ARTICLE 4 – GENERAL CONTRACT PROVISIONS**

##### **4.01 Notices**

All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- (a) To Ur-Energy Inc. and the Corporation at:  
 1128 Clapp Lane  
 P. O. Box 279  
 Manotick, Ontario K4M 1A3  
 Attention: Chief Financial Officer

with a copy:

McCarthy Tétrault LLP  
 40 Elgin Street, Suite 1400  
 Ottawa, Ontario K1P 5K6  
 Attention: Virginia Schweitzer

- (b) To Mr. Backer at:



P.O. Box 970  
Parker, Colorado 80134  
USA

or at such other address as may be given by such party or person to the other parties hereto in writing from time to time and pursuant to the terms of this Section.

4.02 **Entire Agreement**

(1) This Agreement and the documents referenced and incorporated herein constitute the entire Agreement between these parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

(2) This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto, with the exception that Ur-Energy, through the Corporation, may unilaterally may modify this Agreement at any time to avoid non compliance or the possibility of incurring penalties pursuant to any law or regulation, including specifically but not limited to the Internal Revenue Code.

4.03 **Inurement**

This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.

4.04 **Assignment**

(1) Ur-Energy, through the Corporation, will not assign this Agreement unless agreed to by Mr. Backer and Ur-Energy in writing but Ur-Energy shall have the right to so assign this Agreement without such mutual agreement in the event of a Change of Control.

(2) Mr. Backer's rights and obligations under this Agreement are personal and such rights, benefits, and obligations shall not be assigned, alienated, or transferred without the prior written consent of Ur-Energy, other than in the case of death, disability or incompetence of Mr. Backer, in which instance any remaining rights or benefits shall be permitted to be assigned or otherwise legally transferred without written consent.

4.05 **Third Party Beneficiaries**

This Agreement does not and shall not confer any rights or remedies upon another person other than the parties and their respective successors and permitted assigns as provided in Sections 4.03 and 4.04.

4.06 **Remedies in Event of Future Dispute**

(1) In the event of a future dispute, the parties agree that they will first attempt to resolve any dispute which does not give rise to injunctive relief (specifically including but not limited to any dispute concerning Confidential Information or the provisions of Sections 2.03

and 2.04 hereto) through confidential mediation to occur within 30 days of Notice by the party asserting claims or otherwise seeking redress.

(2) In the event that such mediation shall fail, the parties agree to waive any right to a jury trial and shall proceed with any litigation to the court in the jurisdiction(s) provided for and agreed upon below.

4.07 **Headings for Convenience Only**

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

4.08 **Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and each of the parties hereto agrees irrevocably to attorn to the jurisdiction of the courts of the State of Colorado.

4.09 **Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

4.10 **Survival**

Sections 2.03, 2.04, 2.05, 3.01, 4.01, 4.06, 4.08 and 4.09, and all defined terms in this Agreement necessary to understand and enforce those Sections, shall survive the expiry, cancellation or termination for any reason of this Agreement and such Sections will continue with full force.

4.11 **Counterparts**

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

4.12 **Transmission by Facsimile**

The parties agree that this Agreement may be transmitted by facsimile or similar device or electronically and that the reproduction of signatures by facsimile or other electronic means shall be treated as binding as if originals. Notwithstanding the foregoing, each party undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**4.13 Legal Representation and Legal Expenses**

Both parties acknowledge the import of this Agreement and each has retained counsel to review the Agreement and to participate in the negotiation of its terms and language. Ur-Energy will reimburse Mr. Backer on demand for all reasonable out-of-pocket expenses incurred by him for his reasonable independent legal counsel and services in connection with the negotiation, drafting and signature of this Agreement.

*McCarthy Tétrault LLP DMS-OTTAWA #5655600 v. 7*

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**IN WITNESS WHEREOF** the parties have duly executed this Employment Agreement on the dates indicated below,

**UR-ENERGY USA, INC.**

Per: /s/ W. William Boberg  
Name: W. William Boberg  
Title: President

SIGNED this 19<sup>th</sup> day of )  
December, 2006 )  
in the presence of )  
)  
)  
/s/ Judy Holgerson )  
Witness )

/s/ Harold A. Backer  
Harold A. Backer

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**EMPLOYMENT AGREEMENT**

THIS AGREEMENT entered into on January 1, 2007 between:

**UR-ENERGY USA, INC.**  
(hereinafter referred to as "Corporation")

and

**JEFFREY KLEND**  
(hereinafter referred to as "Mr. Klenda")

**WHEREAS** Mr. Klenda is a resident of Golden, Colorado (United States) and has been an independent contractor since August 2005 through to the date hereof and has served in a variety of capacities with Ur-Energy Inc. ("Ur-Energy") (a Canadian corporation) and its Affiliates;

**AND WHEREAS** the Board of Directors of Ur-Energy agreed in principal in May 2006 that Mr. Klenda would become an employee of the Corporation and Mr. Klenda, continuing on a consulting basis until such time as the paperwork could be completed;

**AND WHEREAS** Mr. Klenda will hereafter be employed by the Corporation including to serve as Chairman and Managing Director of Ur-Energy, from time to time, pursuant to the terms of this Agreement;

**AND WHEREAS** the Corporation is desirous of employing Mr. Klenda and compensating him for his services as Chairman and Managing Director of Ur-Energy and Mr. Klenda is desirous of being so employed by Ur-Energy and the Corporation;

**AND WHEREAS** Mr. Klenda currently serves as a director of Ur-Energy (for which he is not compensated) and a director of its Affiliates, from time to time;

**NOW THEREFORE**, for mutual consideration as set forth herein, it is agreed as follows:

**ARTICLE 1 - EMPLOYMENT TERMS**

1.01 **Services**

(1) Ur-Energy, through the Corporation, hereby agrees to hire Mr. Klenda to perform the duties and functions of Chairman and Managing Director of Ur-Energy, or the substantial equivalent thereof, and as an officer of its Affiliates, from time to time. In each and all of these capacities, Mr. Klenda shall work at the direction of and reporting to the Board of Directors of each of those entities.

(2) Mr. Klenda agrees that he shall devote his best efforts and approximately 32 hours a week to the business and affairs of Ur-Energy and its Affiliates and otherwise represent Ur-Energy and its Affiliates consistently with its best interests and with the policies and standards of Ur-Energy or its Affiliates. The foregoing full business-time commitment is subject to permitted vacation or leave time and subject to illness or injury. These services will be performed by Mr. Klenda to the best of his abilities in a diligent, trustworthy and businesslike fashion. Mr. Klenda acknowledges that he has a fiduciary obligation to each of Ur-Energy and its Affiliates.

(3) Mr. Klenda shall not engage in business activities which could reasonably be understood to conflict with his duties, responsibilities and obligations pursuant to this Agreement.

(4) "Affiliate" or "Affiliates" shall be understood to mean an entity that controls, is controlled by or is under common control with a second entity including a joint venture arrangement, and "control" as used in this Agreement shall mean either the possession, directly or indirectly, of 50% or more of the equity or voting power in another entity, or the right or lawful power to administer the affairs of another person or entity.

1.02 **Term**

This Agreement shall be effective January 1, 2007 and shall continue to May 19, 2008. This Agreement shall be renewed automatically for an additional twelve-month period, on the same terms and conditions, unless either party gives written Notice of termination or cancellation pursuant to the provisions of Section 3.01, or this Agreement is otherwise modified or amended pursuant to the provisions of Section 4.02. Any such Notice of cancellation must be received no later than ninety (90) days prior to the expiry of this or any subsequently-renewed agreement.

1.03 **Remuneration**

In consideration of the performance of his services and duties as Chairman and Managing Director of Ur-Energy, Mr. Klenda will be paid a salary of US \$12,000 per month, less any deductions or withholdings required by law.

1.04 **Benefits**

The Corporation may adopt or continue in force benefits plans for the benefit of its employees or certain of its employees. The Corporation may terminate any or all such benefits plans at any time and may choose not to adopt any other plans. Mr. Klenda will be eligible to participate in any voluntary benefits plans the Corporation chooses to implement and to offer to other comparable employees. Mr. Klenda's rights under the benefits plans however shall be subject to and governed by the terms of those plans.

1.05 **Vacation**

Mr. Klenda will be entitled to four weeks of paid vacation each twelve-month period. Such four week vacation entitlement will be pro-rated monthly for any part of a twelve-

month period in the event of termination. Mr. Klenda will take his vacation at a time or times reasonable for Ur-Energy and its Affiliates and Mr. Klenda in the circumstances. For greater certainty, Sections 1.05 and 1.06 are provided to Mr. Klenda in lieu of "Paid Time Off" as set forth in policies of Ur-Energy and its Affiliates.

1.06 **Sick Leave**

Mr. Klenda will be entitled to up to 12 days of sick leave in each twelve month period.

1.07 **Performance Bonus**

Mr. Klenda shall be eligible to earn, in addition to the monthly salary, a performance bonus based on criteria to be determined by the Board of Directors of Ur-Energy including, but not limited to, the financial performance of Ur-Energy, the valuation of Ur-Energy's shares and Mr. Klenda's performance generally of the terms and conditions of this Agreement. Eligibility for the bonus will be evaluated following Ur-Energy's year-end on December 31 and, if a bonus is to be paid to Mr. Klenda, it will be paid on or before March 1 of the following year. A pro rata share of this performance bonus shall be paid if this Agreement is cancelled pursuant to the terms of Section 1.02 or terminated pursuant to the terms of Section 3, and in any event shall be paid as required by applicable law or regulation.

1.08 **Stock Options**

(1) Options to acquire capital stock of Ur-Energy granted to Mr. Klenda prior to the date hereof will vest in accordance with the original vesting schedule for such options and will continue to be governed under the terms and conditions of the "Ur-Energy Inc. Stock Option Plan 2005".

(2) Mr. Klenda shall be eligible to receive additional options, at the discretion of the Board of Directors of Ur-Energy, the number, vesting schedule and exercise price contingent on approval by the Board of Directors of Ur-Energy, with exercise and other rights to be governed by the terms of the stock option plan in force at the date of grant.

1.09 **Expenses**

Ur-Energy or its Affiliates will promptly reimburse Mr. Klenda for out-of-pocket expenses, including reasonable travel costs, actually and properly incurred by him in connection with the performance of his duties hereunder. Mr. Klenda shall furnish receipts to Ur-Energy for all such expenses in accord with the then-current policy of Ur-Energy or its Affiliates for expenses.

**ARTICLE 2 – COVENANTS AND REPRESENTATIONS****2.01 Promotion of the Corporation's Interests; Representations of Ability to Perform**

(1) Mr. Klenda acknowledges and agrees that the execution of this Agreement and increased consideration for such employment are adequate for the good faith performance and considerations provided for in this Agreement. In relation to the services described in Section 1.01, Mr. Klenda agrees specifically to use his best efforts to promote the interests of Ur-Energy and its Affiliates and shall not use any information he may acquire with respect to the business and affairs of Ur-Energy and its Affiliates, for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates.

(2) Mr. Klenda will not, at any time after the date of this Agreement, do or say anything which is likely or intended to damage the goodwill or reputation of Ur-Energy and its Affiliates, or of any business carried on by Ur-Energy or its Affiliates, or which may lead any person, other than as part of good faith negotiations, either to cease to do business with Ur-Energy and its Affiliates on substantially equivalent terms to those previously offered, or not to engage in business with Ur-Energy and its Affiliates.

(3) Mr. Klenda represents and warrants that he is fully able to enter this Agreement, and to perform all duties, obligations and responsibilities contemplated. Mr. Klenda further represents and warrants that he is not a party to any other agreement which would conflict with the terms of this Agreement and that neither the execution nor performance of this Agreement by him will violate, conflict with or result in a breach of any provisions of another contract, nor will execution and full performance of this Agreement violate any court order, judgment, writ or injunction applicable to Mr. Klenda.

(4) Mr. Klenda agrees to adhere to the procedures and policies of Ur-Energy and its Affiliates that may be in place from time to time.

**2.02 Other Activities**

(1) It is agreed and acknowledged that Mr. Klenda may from time to time, pursue other activities as an executive and advisor to other companies. Mr. Klenda will not be required to seek leave to engage in such activities, provided there is neither a conflict of business interest, nor a conflict of his obligations set forth under this Agreement.

(2) Further, Mr. Klenda may, from time to time, be requested to furnish his services as a director to another corporation or similar such position. Permission to provide such services shall be sought by Mr. Klenda and shall be granted reasonably by Ur-Energy. No such leave to serve as a director for any non-profit or other charitable organization shall be required, insofar as such service does not conflict with the terms of this Agreement.



**2.03 Independent Contractor Agreement**

(1) The parties hereby acknowledge the existence of that certain Contract between Ur-Energy and Mr. Klenda and the amendment thereto (collectively, "Independent Contractor Agreement") through which Mr. Klenda has been serving Ur-Energy and its Affiliates since August 2005. This Agreement, it is understood, is meant to and shall supersede the Independent Contractor Agreement in all ways except with respect to confidential information which shall still apply and continue forward as obligations and rights of these parties: All matters and information considered to be confidential which have been revealed to Mr. Klenda during the pendency of the Independent Contractor Agreement shall remain confidential and shall be integrated into the provisions of this Agreement for the maintenance of Confidential Information.

(2) The Independent Contractor Agreement is otherwise terminated and this Agreement shall hereafter control the relationship of these parties. Termination of the Independent Contractor Agreement shall be without penalty to either party without further notice for same.

**2.04 Proprietary and Confidential Information and Work Product**

(1) Mr. Klenda acknowledges that, by reason of his previous contractor status with Ur-Energy pursuant to the Independent Contractor Agreement and hereinafter by reason of his employment with Ur-Energy and its Affiliates, he has had and will have access to proprietary and confidential information as defined hereinafter. Mr. Klenda agrees that, during and after his employment with Ur-Energy and its Affiliates, he will not disclose to any person, except in the proper course of his employment and performance of this Agreement, and will not use for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates, any Confidential Information disclosed to or acquired by him.

(2) "Confidential Information" for the purposes of this Agreement means secret, confidential or proprietary information of Ur-Energy and its Affiliates, including, but not limited to: data, geological and geophysical information and analyses, assets, acquisition or production strategies, trade secrets, information relating to operations, processes or procedures, customer and supplier lists and other confidential information whether technical, commercial or financial, business strategies or plans, details of contracts, and marketing methods, plans or strategies, concerning the business and affairs of Ur-Energy and its Affiliates. For purposes of this Agreement, the term Confidential Information does not include any information that is or becomes generally available to and known by the public (other than as a result of an un-permitted disclosure directly or indirectly by Mr. Klenda or another). In addition, Mr. Klenda may disclose secret, proprietary or Confidential Information to the extent (a) he is legally compelled to disclose such information, provided that Mr. Klenda shall promptly notify Corporation and/or Ur-Energy of such request or requirement, if that notification can be made without violating the terms of such compelled disclosure and Mr. Klenda uses reasonable efforts to obtain from the party to whom disclosure is made written assurance that confidential treatment will be accorded to such portion as is disclosed; (b) such disclosure is required in any legal proceeding between Mr. Klenda and Ur-Energy and its Affiliates in order for Mr. Klenda to defend or pursue any claim in any legal or administrative proceeding.

(3) Any and all products of the work performed or created by Mr. Klenda under this Agreement or in connection with the services (collectively, "Work Product") shall be the sole and exclusive property of Ur-Energy and all such Work Product shall become the property of Ur-Energy from and at such time as it is created. Mr. Klenda shall have no right to use any such Work Product except in connection with performing Services pursuant to this Agreement. Without limiting the foregoing, to the greatest extent possible, any and all Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.), and Mr. Klenda hereby unconditionally and irrevocably transfers and assigns to Ur-Energy all rights, title and interest Mr. Klenda currently has or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights and agrees that Ur-Energy shall have the exclusive world-wide ownership of all such items, and that no such items shall be treated as or deemed to be a "joint work" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.) of Mr. Klenda and Ur-Energy or otherwise. Mr. Klenda further warrants and agrees to take such other actions as Ur-Energy may reasonably request to perfect and protect Ur-Energy's interest in any Work Product.

(4) Mr. Klenda acknowledges that the breach of any of the covenants contained in the Section 2.04 concerning Confidential Information and Work Product will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Klenda acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Klenda from disclosing, in whole or in part, any Confidential Information or utilizing or disseminating Work Product. Such court of competent jurisdiction may order Mr. Klenda to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.04) .

(5) In addition, in the event of any breach of Section 2.04 Ur-Energy and its Affiliates will be relieved of any further obligations pursuant to this Agreement to make any payments to Mr. Klenda or provide him with any benefits as outlined in Section 1.04, except those in Section 3.01.

(6) If any provision, or part(s) thereof, of this Section 2.04 governing Confidential Information and Work Product shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision(s) and shall not in any way affect or render invalid or unenforceable any other provisions of this Section 2.04 or any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed, and any court of competent jurisdiction or arbiters, as the case may be, are authorized to so reform such invalid or unenforceable provision, or part thereof, so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.

- (7) The obligations of this Section 2.04 shall survive the expiry, cancellation or termination of this Agreement for any reason.

2.05 **No Solicitation**

(1) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Klenda shall not directly or indirectly induce or attempt to induce any member of management or professional staff of Ur-Energy or its Affiliates to terminate his/her employment with Ur-Energy or its Affiliate to become employed by any energy-related business with which Mr. Klenda is associated.

(2) Mr. Klenda acknowledges that the breach of any of the covenants contained in Section 2.05 concerning this agreement for non-solicitation of management and professional staff of Ur-Energy and its Affiliates will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Klenda acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Klenda from soliciting employees of Ur-Energy or its Affiliates as the events may be. Such court of competent jurisdiction may order Mr. Klenda to pay all costs and expenses, including reasonable attorney fees and fees and costs associated with any experts, incurred in enforcing these provisions (Section 2.05) .

2.06 **Return of Property**

Upon expiry, cancellation or termination of this Agreement, Mr. Klenda shall return to Ur-Energy or the Affiliates of either, any data, property, documentation, or Confidential Information which is the property of any of these entities; and, such data, property, documentation or Confidential Information shall remain the property or Confidential Information of Ur-Energy or its Affiliates.

**ARTICLE 3 – TERMINATION**

3.01 **Termination of Agreement**

(1) It is understood and agreed that any termination of this Agreement shall result in the termination of Mr. Klenda's service as Chairman and Managing Director of Ur-Energy and as an officer of any Ur-Energy's Affiliates, unless the parties shall agree otherwise at the time of termination by further written agreement.

(2) Mr. Klenda may terminate this Agreement by giving Ur-Energy three (3) months' prior notice in writing pursuant to the provisions of Section 4.01, below. Such notice is excused in the event of death or if disability occurs and makes such notice impracticable.

(3) Ur-Energy, through the Corporation, may terminate this Agreement at any time for just cause without prior notice or pay in lieu of notice. For the purposes of this Section, “just cause” shall include but is not limited to:

- (a) theft, fraud or dishonesty by Mr. Klenda involving the property, business or affairs of Ur-Energy or its Affiliates, or in carrying out his duties under this Agreement; or
- (b) any material breach or non-observance of any material term of this Agreement. In the case of material breach or non-observance of a material term of this Agreement, Ur-Energy shall give Notice to Mr. Klenda (as provided in Section 4.01) of the material breach or non-observance of this Agreement and Mr. Klenda shall have thirty (30) days (or such other reasonable period as shall be determined by the notifying party) to cure the breach or non-observance of a material term of this Agreement.

(4) Except as provided in subsection (5) below, Ur-Energy, through the Corporation, may terminate this Agreement for any other reason which does not violate this Agreement or applicable law. Upon such termination, Ur-Energy will provide Mr. Klenda with a lump sum payment equivalent to two years base salary as set forth in this Agreement, which payment will only be payable to Mr. Klenda upon Mr. Klenda providing a release to Ur-Energy and its Affiliates.

(5) In the event of a Change of Control of Ur-Energy (as defined below) or within 12 months of the Change of Control, (i) Ur-Energy, through the Corporation, or its successors (i) Ur-Energy, through the Corporation, or its successors may terminate the Agreement or (ii) Mr. Klenda may terminate this Agreement in the event that the general scope of his authority and compensation do not remain substantially equivalent. Upon such termination, Ur-Energy will provide Mr. Klenda with a lump sum payment equivalent to two years’ base salary as set forth in this Agreement upon Mr. Klenda providing a release to Ur-Energy and its Affiliates or their successors.

“Change of Control” shall have occurred on the happening of any of the following events, provided that such event is a change in the ownership or effective control of Ur-Energy or a change in the ownership of a substantial portion of the assets of Ur-Energy as defined in the regulations promulgated under Section 409A of the Internal Revenue Code of 1986, as amended:

- (a) 50% or more of the voting shares of Ur-Energy become owned beneficially by a person or group of persons acting jointly or in concert; or
- (b) the individuals who are members of the Board of Directors of Ur-Energy (the “Incumbent Board”) cease for any reason to constitute at least fifty percent (50%) of the Board of Directors of Ur-Energy; provided, however, that if the election, or nomination for election, of any new Directors was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; or

- (c) beneficial ownership of assets of Ur-Energy representing 40% or more of the net book value of the assets of Ur-Energy determined on the basis of the then most recently published audited financial statements of Ur-Energy, shall be sold, transferred, liquidated or otherwise disposed of or distributed by Ur-Energy over a period of one year or less, in any manner whatsoever and whether in one transaction or in a series of transactions or by plan of arrangement; or
- (d) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any event or transaction or series of events or transactions referred to in subsections (a), (b) or (c) above; or
- (e) a determination by the Board of Directors of Ur-Energy that there has been a change, whether by way of a change in the holding of voting shares of Ur-Energy in the ownership of Ur-Energy's assets or by any other means, as a result of which any person, or any group of persons acting jointly or in concert is in a position to exercise effective control of Ur-Energy.
- (6) The parties agree that if this Agreement is terminated by Ur-Energy, through the Corporation, without cause, the payment to Mr. Klenda in accordance with the preceding Section 3.01 shall be inclusive of any statutory amounts required by law upon termination of employment.

#### **ARTICLE 4 – GENERAL CONTRACT PROVISIONS**

##### 4.01 **Notices**

All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- (a) To Ur-Energy Inc. and the Corporation at:  
 1128 Clapp Lane  
 P. O. Box 279  
 Manotick, Ontario K4M 1A3  
 Attention: Chief Financial Officer

with a copy:

McCarthy Tétrault LLP  
 40 Elgin Street, Suite 1400  
 Ottawa, Ontario K1P 5K6  
 Attention: Virginia Schweitzer

- (b) To Mr. Klenda at:

88 South McIntyre Way  
Golden Colorado 80401  
USA

or at such other address as may be given by such party or person to the other parties hereto in writing from time to time and pursuant to the terms of this Section.

#### 4.02 **Entire Agreement**

(1) This Agreement and the documents referenced and incorporated herein constitute the entire Agreement between these parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

(2) This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto, with the exception that Ur-Energy, through the Corporation, may unilaterally may modify this Agreement at any time to avoid non compliance or the possibility of incurring penalties pursuant to any law or regulation, including specifically but not limited to the Internal Revenue Code.

#### 4.03 **Inurement**

This Agreement shall inure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators or successors.

#### 4.04 **Assignment**

(1) Ur-Energy, through the Corporation, will not assign this Agreement unless agreed to by Mr. Klenda and Ur-Energy in writing but Ur-Energy shall have the right to so assign this Agreement without such mutual agreement in the event of a Change of Control.

(2) Mr. Klenda's rights and obligations under this Agreement are personal and such rights, benefits, and obligations shall not be assigned, alienated, or transferred without the prior written consent of Ur-Energy, other than in the case of death, disability or incompetence of Mr. Klenda, in which instance any remaining rights or benefits shall be permitted to be assigned or otherwise legally transferred without written consent.

#### 4.05 **Third Party Beneficiaries**

This Agreement does not and shall not confer any rights or remedies upon another person other than the parties and their respective successors and permitted assigns as provided in Sections 4.03 and 4.04.

#### 4.06 **Remedies in Event of Future Dispute**

(1) In the event of a future dispute, the parties agree that they will first attempt to resolve any dispute which does not give rise to injunctive relief (specifically including but not limited to any dispute concerning Confidential Information or the provisions of Sections 2.04

and 2.05 hereto) through confidential mediation to occur within 30 days of Notice by the party asserting claims or otherwise seeking redress.

(2) In the event that such mediation shall fail, the parties agree to waive any right to a jury trial and shall proceed with any litigation to the court in the jurisdiction(s) provided for and agreed upon below.

4.07 **Headings for Convenience Only**

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

4.08 **Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and each of the parties hereto agrees irrevocably to attorn to the jurisdiction of the courts of the State of Colorado.

4.09 **Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

4.10 **Survival**

Sections 2.03, 2.04, 2.05, 3.01, 4.01, 4.06, 4.08 and 4.09, and all defined terms in this Agreement necessary to understand and enforce those Sections, shall survive the expiry, cancellation or termination for any reason of this Agreement and such Sections will continue with full force.

4.11 **Counterparts**

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

4.12 **Transmission by Facsimile**

The parties agree that this Agreement may be transmitted by facsimile or similar device or electronically and that the reproduction of signatures by facsimile or other electronic means shall be treated as binding as if originals. Notwithstanding the foregoing, each party undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**4.13 Legal Representation and Legal Expenses**

Both parties acknowledge the import of this Agreement and each has retained counsel to review the Agreement and to participate in the negotiation of its terms and language. Ur-Energy will reimburse Mr. Klenda on demand for all reasonable out-of-pocket expenses incurred by him for his reasonable independent legal counsel and services in connection with the negotiation, drafting and signature of this Agreement.

*McCarthy Tétrault LLP DMS-OTTAWA #5657728 v. 4*

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IN WITNESS WHEREOF the parties have duly executed this Employment Agreement on the dates indicated below,

**UR-ENERGY USA, INC.**

Per: /s/ W. William Boberg  
Name: W. William Boberg  
Title: President

SIGNED this 19th day of )  
December, 2006 )  
in the presence of )  
)  
)  
)  
/s/ Judy Holgerson )  
Witness )

/s/ Jeffrey Klenda  
Jeffrey Klenda

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**EMPLOYMENT AGREEMENT**

THIS AGREEMENT entered into on February 19, 2007 between:

**UR-ENERGY USA, INC.**  
(hereinafter referred to as "Corporation")

and

**WAYNE W. HEILI**  
(hereinafter referred to as "Mr. Heili")

**WHEREAS** Mr. Heili is a resident of Casper, Wyoming (United States) and has agreed to become an officer of Ur-Energy Inc. ("Ur-Energy") (a Canadian corporation) and its Affiliates;

**AND WHEREAS** Mr. Heili will hereafter be employed by the Corporation including to serve as Vice President, Engineering of Ur-Energy and an officer of Ur-Energy's Affiliates, from time to time, pursuant to the terms of this Agreement;

**AND WHEREAS** the Corporation is desirous of employing Mr. Heili and compensating him for his services as Vice President, Engineering of Ur-Energy and an officer of its Affiliates and Mr. Heili is desirous of being so employed by Ur-Energy and the Corporation;

**NOW THEREFORE**, for mutual consideration as set forth herein, it is agreed as follows:

**ARTICLE 1 - EMPLOYMENT TERMS**

1.01 **Services**

(1) Ur-Energy, through the Corporation, hereby agrees to hire Mr. Heili to perform the duties and functions of Vice President, Engineering of Ur-Energy, or the substantial equivalent thereof, and as an officer of its Affiliates, from time to time. In each and all of these capacities, Mr. Heili shall work at the direction of and reporting to the Chief Executive Officer of each of those entities.

(2) Except as otherwise set out in Section 1.03(2), Mr. Heili agrees that he shall devote his best efforts and full business time to the business and affairs of Ur-Energy and its Affiliates and otherwise represent Ur-Energy and its Affiliates consistently with its best interests and with the policies and standards of Ur-Energy or its Affiliates. The foregoing full business-time commitment is subject to permitted vacation or leave time and subject to illness or injury. These services will be performed by Mr. Heili to the best of his abilities in a diligent, trustworthy and businesslike fashion. Mr. Heili acknowledges that he has a fiduciary obligation to each of Ur-Energy and its Affiliates.

(3) Except as otherwise set out in Section 1.03(2), Mr. Heili shall not engage in business activities which could reasonably be understood to conflict with his duties, responsibilities and obligations pursuant to this Agreement.

(4) "Affiliate" or "Affiliates" shall be understood to mean an entity that controls, is controlled by or is under common control with a second entity including a joint venture arrangement, and "control" as used in this Agreement shall mean either the possession, directly or indirectly, of 50% or more of the equity or voting power in another entity, or the right or lawful power to administer the affairs of another person or entity.

1.02 **Term**

This Agreement shall be effective February 19, 2007 and shall continue to February 19, 2008. This Agreement shall be renewed automatically for an additional twelvemonth period, on the same terms and conditions, unless either party gives written Notice of termination or cancellation pursuant to the provisions of Section 3.01, or this Agreement is otherwise modified or amended pursuant to the provisions of Section 4.02. Any such Notice of cancellation must be received no later than ninety (90) days prior to the expiry of this or any subsequently-renewed agreement.

1.03 **Remuneration**

(1) In consideration of the performance of his services and duties as Vice President, Engineering of Ur-Energy, Mr. Heili will be paid a salary of US \$17,500.00 per month, less any deductions or withholdings required by law.

(2) Notwithstanding Section 1.03(1), Mr. Heili will commence employment with Ur-Energy on a part time basis until he has had the opportunity to deal with ongoing personal matters. Until such time as the parties agree that Mr. Heili will commence full time employment, Mr. Heili will work a minimum of 16 hours a week and receive US\$7,000.00 per month and any additional hours worked up to 32 hours a week, Mr. Heili will receive US\$100.00 per hour, less any deductions or withholdings required by law. Mr. Heili will not be eligible to participate in the benefit plans as set forth in Section 1.04 until such time as Mr. Heili becomes a full time employee. Sections 3.01(4) and (5) of the Agreement will not be applicable to Mr. Heili until such time as Mr. Heili is a full time employee of Ur-Energy.

1.04 **Benefits**

The Corporation may adopt or continue in force benefits plans for the benefit of its employees or certain of its employees. The Corporation may terminate any or all such benefits plans at any time and may choose not to adopt any other plans. Mr. Heili will be eligible to participate in any voluntary benefits plans the Corporation chooses to implement and to offer to other comparable employees. Mr. Heili's rights under the benefits plans however shall be subject to and governed by the terms of those plans.

1.05 **Vacation**

Mr. Heili will be entitled to four weeks of paid vacation each twelve-month period. Such four week vacation entitlement will be pro-rated monthly for any part of a twelvemonth period in the event of termination. Mr. Heili will take his vacation at a time or times reasonable for Ur-Energy and its Affiliates and Mr. Heili in the circumstances. For greater certainty, Sections 1.05 and 1.06 are provided to Mr. Heili in lieu of "Paid Time Off" as set forth in policies of Ur-Energy and its Affiliates.

1.06 **Sick Leave**

Mr. Heili will be entitled to up to 12 days of sick leave in each twelve month period.

1.07 **Performance Bonus**

Mr. Heili shall be eligible to earn, in addition to the monthly salary, a performance bonus based on criteria to be determined by the Board of Directors of Ur-Energy including, but not limited to, the financial performance of Ur-Energy, the valuation of Ur-Energy's shares and Mr. Heili's performance generally of the terms and conditions of this Agreement. Eligibility for the bonus will be evaluated following Ur-Energy's year-end on December 31 and, if a bonus is to be paid to Mr. Heili, it will be paid on or before March 1 of the following year. A pro rata share of this performance bonus shall be paid if this Agreement is cancelled pursuant to the terms of Section 1.02 or terminated pursuant to the terms of Section 3, and in any event shall be paid as required by applicable law or regulation.

1.08 **Stock Options**

(1) Mr. Heili will be granted options for 600,000 common shares of Ur-Energy ("Options") on the date hereof. Provided Mr. Heili continues to be an employee of Corporation, the Options will vest as follows:

- (a) options for 200,000 common shares of Ur-Energy will vest 30 days after Ur- Energy's submission of the first Application for Permit to Mine on both the Lost Creek and Lost Soldier projects;
- (b) options for 200,000 common shares of Ur-Energy will vest 30 days after receipt by Ur-Energy of the first Permit to Mine in respect of either the Lost Creek project or the Lost Soldier project; and
- (c) options for 200,000 common shares of Ur-Energy will vest 30 days after the initial start-up of operations on the first In-Situ Recovery satellite plant to be put in operation on a Ur-Energy project; such date to be determined by the Board of Directors of Ur-Energy.

(2) Ur-Energy agrees to use reasonably commercial efforts to move forward on the Lost Creek and Lost Soldier projects and in the event that that Ur-Energy moves to other

strategic alternatives, the Board of Directors of Ur-Energy and Mr. Heili will use commercially reasonable efforts to find alternative vesting milestones to those set out in Section 1.08(1) above.

(3) In the event of a Change of Control of Ur-Energy, the Options shall immediately vest and be exercisable within 30 days by Mr. Heili after which time the Options will expire.

(4) Other than as provided in this Agreement, the Options received by Mr. Heili will be governed by terms and conditions of the Ur-Energy Inc. Stock Option Plan 2005.

(5) Mr. Heili shall be eligible to receive additional options, at the discretion of the Board of Directors of Ur-Energy, the number, vesting schedule and exercise price contingent on approval by the Board of Directors of Ur-Energy, with exercise and other rights to be governed by the terms of the stock option plan in force at the date of grant.

1.09 **Expenses**

Ur-Energy or its Affiliates will promptly reimburse Mr. Heili for out-of-pocket expenses, including reasonable travel costs, actually and properly incurred by him in connection with the performance of his duties hereunder. Mr. Heili shall furnish receipts to Ur-Energy for all such expenses in accord with the then-current policy of Ur-Energy or its Affiliates for expenses.

**ARTICLE 2 – COVENANTS AND REPRESENTATIONS**

2.01 **Promotion of the Corporation's Interests; Representations of Ability to Perform**

(1) Mr. Heili acknowledges and agrees that the execution of this Agreement is adequate for the good faith performance and considerations provided for in this Agreement. In relation to the services described in Section 1.01, Mr. Heili agrees specifically to use his best efforts to promote the interests of Ur-Energy and its Affiliates and shall not use any information he may acquire with respect to the business and affairs of Ur-Energy and its Affiliates, for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates.

(2) Mr. Heili will not, at any time during the term of this Agreement and during the five year period after the expiry, cancellation or termination of this Agreement, do or say anything which is likely or intended to damage the goodwill or reputation of Ur-Energy and its Affiliates, or of any business carried on by Ur-Energy or its Affiliates, or which may lead any person, other than as part of good faith negotiations, either to cease to do business with Ur-Energy and its Affiliates on substantially equivalent terms to those previously offered, or not to engage in business with Ur-Energy and its Affiliates.

(3) Mr. Heili represents and warrants that he is fully able to enter this Agreement, and to perform all duties, obligations and responsibilities contemplated. Mr. Heili, Ur-Energy and the Corporation acknowledge that Mr. Heili previously entered an agreement (the "Former Agreement") with Energy Metals Corporation (the "Former Company"). Mr. Heili represents that the Former Agreement will terminate before the date hereof. Mr. Heili, Ur-Energy and the

Corporation further acknowledge that the Former Agreement requires that even after termination of the Former Agreement, Mr. Heili is required to treat the information, data, developments and trade secrets that are confidential under the Former Agreement as such, and that Mr. Heili shall not disclose to third parties (including Ur-Energy and Corporation) any confidential or proprietary data or information of the Former Company (the "Trade Secrets Clause"). Each of parties acknowledge receipt of the relevant clauses of the Former Agreement that constitute the Trade Secrets Clause, the text of which is incorporated herein. Ur-Energy, Corporation and Mr. Heili further acknowledge and agree that no part of Mr. Heili's duties and responsibilities pursuant to this Agreement shall require, and no personnel with Ur-Energy or its Affiliates shall require, that Mr. Heili disclose confidential or proprietary data or information of the Former Company in contravention of his continuing obligations pursuant to the Trade Secrets Clause. In the event this provision conflicts with any other provision of this Agreement, this Section 2.01(3) shall control. Mr. Heili further represents and warrants that he is not a party to any other agreement other than the Former Agreement, including with the Former Company, which would conflict with the terms of this Agreement and that neither the execution nor performance of this Agreement by him will violate, conflict with or result in a breach of any provisions of another contract nor will execution and full performance of this Agreement violate any court order, judgment, writ or injunction applicable to Mr. Heili.

- (4) Mr. Heili agrees to adhere to the procedures and policies of Ur-Energy and its Affiliates that may be in place from time to time.

## 2.02 **Proprietary and Confidential Information and Work Product**

(1) Mr. Heili acknowledges that, by reason of his employment with Ur-Energy and its Affiliates, he has had and will have access to proprietary and confidential information as defined hereinafter. Mr. Heili agrees that, during and after his employment with Ur-Energy and its Affiliates, he will not disclose to any person, except in the proper course of his employment and performance of this Agreement, and will not use for his own purposes or for any purposes other than those of Ur-Energy and its Affiliates, any Confidential Information disclosed to or acquired by him.

(2) "Confidential Information" for the purposes of this Agreement means secret, confidential or proprietary information of Ur-Energy and its Affiliates, including, but not limited to: data, geological and geophysical information and analyses, assets, acquisition or production strategies, trade secrets, information relating to operations, processes or procedures, customer and supplier lists and other confidential information whether technical, commercial or financial, business strategies or plans, details of contracts, and marketing methods, plans or strategies, concerning the business and affairs of Ur-Energy and its Affiliates. For purposes of this Agreement, the term Confidential Information does not include any information that is or becomes generally available to and known by the public (other than as a result of an un-permitted disclosure directly or indirectly by Mr. Heili or another). In addition, Mr. Heili may disclose secret, proprietary or Confidential Information to the extent (a) he is legally compelled to disclose such information, provided that Mr. Heili shall promptly notify Corporation and/or Ur-Energy of such request or requirement, if that notification can be made without violating the terms of such compelled disclosure and Mr. Heili uses reasonable efforts to obtain from the party

to whom disclosure is made written assurance that confidential treatment will be accorded to such portion as is disclosed; (b) such disclosure is required in any legal proceeding between Mr. Heili and Ur-Energy and its Affiliates in order for Mr. Heili to defend or pursue any claim in any legal or administrative proceeding.

(3) Any and all products of the work performed or created by Mr. Heili under this Agreement or in connection with the services (collectively, "Work Product") shall be the sole and exclusive property of Ur-Energy and all such Work Product shall become the property of Ur-Energy from and at such time as it is created. Mr. Heili shall have no right to use any such Work Product except in connection with performing Services pursuant to this Agreement. Without limiting the foregoing, to the greatest extent possible, any and all Work Product shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.), and Mr. Heili hereby unconditionally and irrevocable transfers and assigns to Ur-Energy all rights, title and interest Mr. Heili currently has or in the future may have by operation of law or otherwise in or to any Work Product, including, without limitation, all patents, copyrights, trademarks, service marks and other intellectual property rights and agrees that Ur-Energy shall have the exclusive world-wide ownership of all such items, and that no such items shall be treated as or deemed to be a "joint work" (as defined in the Copyright Act, 17 U.S.C. §§ 101 et seq.) of Mr. Heili and Ur-Energy or otherwise. Mr. Heili further warrants and agrees to take such other actions as Ur-Energy may reasonable request to perfect and protect Ur-Energy's interest in any Work Product.

(4) Mr. Heili acknowledges that the breach of any of the covenants contained in the Section 2.02 concerning Confidential Information and Work Product will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Heili acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000.00, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Heili from disclosing, in whole or in part, any Confidential Information or utilizing or disseminating Work Product.

(5) In addition, in the event of any breach of Section 2.02 Ur-Energy and its Affiliates will be relieved of any further obligations pursuant to this Agreement to make any payments to Mr. Heili or provide him with any benefits as outlined in Section 1.04, except those in Section 3.01.

(6) If any provision, or part(s) thereof, of this Section 2.02 governing Confidential Information and Work Product shall be held to be invalid or unenforceable, such invalidity or unenforceability shall attach only to such provision(s) and shall not in any way affect or render invalid or unenforceable any other provisions of this Section 2.02 or any other provisions of this Agreement, and this Agreement shall be carried out as if such invalid or unenforceable provision, or part thereof, had been reformed, and any court of competent jurisdiction or arbiters, as the case may be, are authorized to so reform such invalid or unenforceable provision, or part thereof, so that it would be valid, legal and enforceable to the fullest extent permitted by applicable law.

- (7) The obligations of this Section 2.02 shall survive the expiry, cancellation or termination of this Agreement for any reason.

2.03 **No Competition; No Solicitation**

(1) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Heili shall not directly or indirectly provide professional services to any person, firm or business which is engaged in the exploration for and development of uranium mineral properties (i) within 5 miles of the boundaries of each of the property claim groups in the United States of America owned, leased, licensed or otherwise held by Ur-Energy and its Affiliates, more fully described on Schedule A hereto, (ii) within 5 miles of the perimeter of each of the Hornby Basin located in the Northwest Territories/Nunavut, Canada and the Thelon Basin located in the Northwest Territories, Canada, and (iii) within 5 miles of the boundaries of any other mineral properties owned, leased or licensed or otherwise held by Ur-Energy and its Affiliates or under consideration by Ur-Energy and its Affiliates at the time of the expiry, cancellation or termination of this Agreement, a list or map of which will be created by Ur-Energy at the time of termination. Mr. Heili acknowledges and agrees that the services he will provide to Ur-Energy and its Affiliates and the Confidential Information he will obtain, are unique in nature, and that Ur-Energy and its Affiliates would be irreparably harmed if Mr. Heili were to provide similar services to or divulge any proprietary or Confidential Information to another person, firm or business who are engaged in a similar or competing business.

(2) Mr. Heili acknowledges and agrees that the term and geographic restriction of this agreement not to compete are both reasonable, and moreover that if a Court should find otherwise Mr. Heili agrees that such Court should uphold this provision and redefine the restriction in duration, geographic scope or other way in which the Court does not find the restriction to be reasonable.

(3) For a period of two years after the expiry, cancellation or termination of this Agreement for any reason, Mr. Heili shall not directly or indirectly induce or attempt to induce any member of management or professional staff of Ur-Energy or its Affiliates to terminate his/her employment with Ur-Energy or its Affiliate to become employed by any energy-related business with which Mr. Heili is associated.

(4) Mr. Heili acknowledges that the breach of any of the covenants contained in Section 2.03 concerning this agreement for non-solicitation of management and professional staff and to not compete with the business(es) of Ur-Energy and its Affiliates will result in irreparable harm and continuing damages to Ur-Energy and its Affiliates and the business of each or both. Further, Mr. Heili acknowledges and agrees that the remedy at law for any such breach or threatened breach would be inadequate. Accordingly, in addition to such remedies as may be available to Ur-Energy or any of its Affiliates at law or in equity in the event of any such breach, any Court of competent jurisdiction may issue an injunction (both preliminary and permanent), together with posting of a bond of \$1,000.00, enjoining and restricting the breach or threatened breach of any such covenant, including, but not limited to, an injunction restraining Mr. Heili from competing in contravention of the above provisions or soliciting employees of Ur-Energy or its Affiliates as the events may be.



2.04 **Return of Property**

Upon expiry, cancellation or termination of this Agreement, Mr. Heili shall return to Ur-Energy or the Affiliates of either, any data, property, documentation, or Confidential Information which is the property of any of these entities; and, such data, property, documentation or Confidential Information shall remain the property or Confidential Information of Ur-Energy or its Affiliates.

**ARTICLE 3 – TERMINATION**

3.01 **Termination of Agreement**

(1) It is understood and agreed that any termination of this Agreement shall result in the termination of Mr. Heili's service as Vice President, Engineering of Ur-Energy and as an officer of any Ur-Energy's Affiliates, unless the parties shall agree otherwise at the time of termination by further written agreement.

(2) Mr. Heili may terminate this Agreement without cause by giving Ur-Energy 90 days' prior notice in writing pursuant to the provisions of Section 4.01, below. Such notice is excused in the event of death or if disability occurs and makes such notice impracticable.

(3) Ur-Energy, through the Corporation, may terminate this Agreement at any time for just cause without prior notice or pay in lieu of notice. For the purposes of this Section, "just cause" shall include but is not limited to:

- (a) theft, fraud or dishonesty by Mr. Heili involving the property, business or affairs of Ur-Energy or its Affiliates, or in carrying out his duties under this Agreement; or
- (b) any material breach or non-observance of any material term of this Agreement. In the case of material breach or non-observance of a material term of this Agreement, Ur-Energy shall give Notice to Mr. Heili (as provided in Section 4.01) of the material breach or non-observance of this Agreement and Mr. Heili shall have thirty (30) days (or such other reasonable period as shall be determined by the notifying party) to cure the breach or non-observance of a material term of this Agreement.

(4) Except as provided in subsection (5) below, Ur-Energy, through the Corporation, may terminate this Agreement for any other reason which does not violate this Agreement or applicable law. Upon such termination, Ur-Energy will provide Mr. Heili with a lump sum payment equivalent to two years' base salary as set forth in this Agreement, which payment will only be payable to Mr. Heili upon Mr. Heili providing a release to Ur-Energy and its Affiliates.

(5) In the event of a Change of Control of Ur-Energy (as defined below) or within 12 months after a Change of Control, (i) Ur-Energy, through the Corporation, or its successors may terminate the Agreement, or (ii) Mr. Heili may terminate this Agreement in the event that his position including duties, responsibilities and general scope of authority and compensation do

not remain substantially equivalent. Upon such termination, Ur-Energy will provide Mr. Heili with a lump sum payment equivalent to two years' base salary as set forth in this Agreement upon Mr. Heili providing a release to Ur-Energy and its Affiliates or their successors.

"Change of Control" shall have occurred on the happening of any of the following events, provided that such event is a change in the ownership or effective control of Ur-Energy or a change in the ownership of a substantial portion of the assets of Ur-Energy as defined in the regulations promulgated under Section 409A of the Internal Revenue Code of 1986, as amended:

- (a) 50% or more of the voting shares of Ur-Energy become owned beneficially by a person or group of persons acting jointly or in concert; or
- (b) the individuals who are members of the Board of Directors of Ur-Energy (the "Incumbent Board") cease for any reason to constitute at least fifty percent (50%) of the Board of Directors of Ur-Energy; provided, however, that if the election, or nomination for election, of any new Directors was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; or
- (c) beneficial ownership of assets of Ur-Energy representing 40% or more of the net book value of the assets of Ur-Energy determined on the basis of the then most recently published audited financial statements of Ur-Energy, shall be sold, transferred, liquidated or otherwise disposed of or distributed by Ur-Energy over a period of one year or less, in any manner whatsoever and whether in one transaction or in a series of transactions or by plan of arrangement; or
- (d) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any event or transaction or series of events or transactions referred to in subsections (a), (b) or (c) above; or
- (e) a determination by the Board of Directors of Ur-Energy that there has been a change, whether by way of a change in the holding of voting shares of Ur-Energy in the ownership of Ur-Energy's assets or by any other means, as a result of which any person, or any group of persons acting jointly or in concert is in a position to exercise effective control of Ur-Energy.

#### **ARTICLE 4- GENERAL CONTRACT PROVISIONS**

##### 4.01 **Notices**

All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

- (a) To Ur-Energy Inc. and the Corporation at:  
1128 Clapp Lane

P. O. Box 279  
Manotick, Ontario K4M 1A3  
Attention: Chief Financial Officer

with a copy:

McCarthy Tétrault LLP  
40 Elgin Street, Suite 1400  
Ottawa, Ontario K1P 5K6  
Attention: Virginia Schweitzer

(b) To Mr. Heili at:

Casper, Wyoming 82601  
USA

or at such other address as may be given by such party or person to the other parties hereto in writing from time to time and pursuant to the terms of this Section.

4.02 **Entire Agreement**

(1) This Agreement and the documents referenced and incorporated herein constitute the entire Agreement between these parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

(2) This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto.

4.03 **Inurement**

This Agreement shall inure to the benefit of and be binding upon the parties, Ur-Energy and their respective legal personal representatives, heirs, executors, administrators, successors and permitted assigns.

4.04 **Assignment**

(1) Ur-Energy, through the Corporation, will not assign this Agreement unless agreed to by Mr. Heili and Ur-Energy in writing but Ur-Energy shall have the right to so assign this Agreement without such mutual agreement in the event of a Change of Control.

(2) Mr. Heili's rights and obligations under this Agreement are personal and such rights, benefits, and obligations shall not be assigned, alienated, or transferred without the prior written consent of Ur-Energy, other than in the case of death, disability or incompetence of Mr. Heili, in which instance any remaining rights or benefits shall be permitted to be assigned or otherwise legally transferred without written consent.

**4.05 Third Party Beneficiaries**

This Agreement does not and shall not confer any rights or remedies upon another person other than the parties and their respective legal representatives, heirs, executors, administrators, successors and permitted assigns as provided in Sections 4.03 and 4.04.

**4.06 Remedies in Event of Future Dispute**

(1) In the event of a future dispute, the parties agree that they will first attempt to resolve any dispute which does not give rise to injunctive relief (specifically including but not limited to any dispute concerning Confidential Information or the provisions of Sections 2.02 and 2.03 hereto) through confidential mediation to occur within 30 days of Notice by the party asserting claims or otherwise seeking redress.

(2) In the event that such mediation shall fail, the parties agree to waive any right to a jury trial and shall proceed with any litigation to the court in the jurisdiction(s) provided for and agreed upon below.

**4.07 Headings for Convenience Only**

The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**4.08 Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and each of the parties hereto agrees irrevocably to attorn to the jurisdiction of the courts of the State of Colorado.

**4.09 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

**4.10 Survival**

Sections 2.02, 2.03, 2.04, 3.01, 4.01, 4.06, 4.08, 4.09 and 4.14, and all defined terms in this Agreement necessary to understand and enforce those Sections, shall survive the expiry, cancellation or termination for any reason of this Agreement and such Sections will continue with full force.

**4.11 Counterparts**

This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

**4.12 Transmission by Facsimile**

The parties agree that this Agreement may be transmitted by facsimile or similar device or electronically and that the reproduction of signatures by facsimile or other electronic means shall be treated as binding as if originals. Notwithstanding the foregoing, each party undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

**4.13 Legal Representation and Legal Expenses**

Both parties acknowledge the import of this Agreement. Mr. Heili has had the opportunity to retain counsel to review the Agreement and to participate in the negotiation of its terms and language. If Mr. Heili retains counsel, Ur-Energy will reimburse Mr. Heili on demand for all reasonable out-of-pocket expenses incurred by him for his reasonable independent legal counsel and services in connection with the negotiation, drafting and signature of this Agreement.

**4.14 Attorney's Fees and Other Costs**

In the event of any action, including but not limited to litigation, arbitration, or other similar proceedings, because of any alleged breach of this Agreement, the prevailing party (-ies) shall be entitled to an award of his or its/their reasonable attorney fees and costs incurred in the action, including but not limited to any fees and costs associated with expert witnesses and litigation consultants, and the costs and fees associated with the appeals, collection, or enforcement of any judgment or order of court resulting therefrom. To so recover, it shall not be necessary that the prevailing party (-ies) prevail in each and every claim or defense.

IN WITNESS WHEREOF the parties have duly executed this Employment Agreement on the dates indicated below,

**UR-ENERGY USA, INC.**

Per: /s/ W. William Boberg  
Name: W. William Boberg  
Title: President

SIGNED this 19<sup>th</sup> day of )  
February, 2007 )  
in the presence of )  
)  
)  
)  
/s/ [Illegible] )  
Witness )

/s/ Wayne W. Heili  
Wayne W. Heili

The rights and obligations of this Agreement are acknowledged and agreed by Ur-Energy Inc. and Ur-Energy Inc. agrees to be bound as it applies to Ur-Energy Inc.

**UR-ENERGY INC.**

Per /s/ W. William Boberg  
Name: W. William Boberg  
Title: President and Chief Executive Officer

*McCarthy Tétrault LLP DMS-OTTAWA #5659084 v. 6*


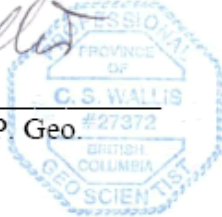
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Suite 388  
1130 West Pender Street  
Vancouver, BC V6E 4A2  
Tel: (604) 602-6767  
Fax: (604) 602-0235  
Email: [stewart.wallis@scottwilson.com](mailto:stewart.wallis@scottwilson.com)

**C. Stewart Wallis, P. Geo.**  
**CONSENT**

I hereby consent to the incorporation by reference in the registration statement of Ur-Energy Inc. on Form 40-F of the following reports: (i) Technical Report on Great Divide Basin Uranium Properties, Wyoming dated June 15, 2005 and revised October 20, 2005; (ii) Technical Report on the Shirley Basin Uranium Properties, Wyoming on June 20, 2005 and revised October 20, 2005; (iii) Technical Report on the Kaycee and Shamrock Uranium Properties, Wyoming, dated October 20, 2005; (iv) Technical Report on the Lost Creek Project, Wyoming, dated June 15, 2006; and (v) Technical Report on the Lost Soldier Project, Wyoming, dated July 10, 2006, which are referenced in the Preliminary Short Form Prospectus dated April 23, 2007, the Final Short Form Prospectus dated May 1, 2007 and the Annual Information Form dated March 21, 2007 for the fiscal year ended December 31, 2006.

Dated December 28, 2007

C. Stewart Wallis, P. Geo.

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**John D. Charlton, P. Geo.**

**CONSENT**

I hereby consent to the incorporation by reference in the registration statement of Ur-Energy Inc. on Form 40-F of the following reports: (i) Technical Report on the Gravel Hill, Screech and Eyeberry Properties together comprising the Thelon Project, dated February 25, 2005 with revisions on June 22, 2005 and October 20, 2005; and (ii) Technical Report on the Mountain Lake and Dismal West Properties together comprising the Hornby Project, dated January 31, 2005 with revisions on October 20, 2005, which are referenced in the Preliminary Short Form Prospectus dated April 23, 2007, the Final Short Form Prospectus dated May 1, 2007 and the Annual Information Form dated March 21, 2007 for the fiscal year ended December 31, 2006.

Dated December 28, 2007

/s/ John D. Charlton

John D. Charlton, P. Geo.

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**Consent of Independent Auditors**

We hereby consent to the inclusion in this registration statement of Ur-Energy Inc. on Form 40-F of our report dated March 21, 2007 (except for note 15 which is as of December 28, 2007) relating to the consolidated financial statements for the years ended December 31, 2006 and 2005 and for the cumulative period from March 22, 2004 to December 31, 2006, which are attached as Exhibit 10 to this registration statement.

*/s/ PriceWaterhouseCoopers LLP*

Chartered Accountants, Licensed Public Accountants

Ottawa, Ontario  
January 3, 2008

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