

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
Under the Securities Exchange Act of 1934**

For the month of **July 2012**

Commission File No.: **001-33905**

UR-ENERGY INC.

(Translation of the registrant's name into English)

10758 W Centennial Road, Suite 200

Littleton, Colorado 80127

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing 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.

Yes No



FURNISHED HEREWITH

Exhibit

- | | |
|------|---|
| 99.1 | Unaudited Consolidated Financial Statements for the three and six month periods ended June 30, 2012 |
| 99.2 | Management's Discussion and Analysis for the three and six month periods ended June 30, 2012 |
| 99.3 | CFO – Certification of Interim Filings |
| 99.4 | CEO – Certification of Interim Filings |
-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UR-ENERGY INC.

Date: July 27, 2012

By: /s/ Roger Smith
Roger Smith, Chief Financial Officer

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

Unaudited Interim Consolidated Financial Statements

June 30, 2012

(expressed in Canadian dollars)

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

(expressed in Canadian dollars)

	June 30, 2012 \$	December 31, 2011 \$
Assets		
Current assets		
Cash and cash equivalents (note 3)	26,863,121	16,169,479
Short-term investments (note 3)	8,858,627	6,927,523
Marketable securities	7,125	13,125
Amounts receivable	10,811	16,018
Restricted cash (note 4)	287,500	801,836
Prepaid expenses	324,057	107,481
	<u>36,351,241</u>	<u>24,035,462</u>
Restricted cash (note 4)	1,781,232	3,518,347
Mineral properties (note 5)	33,331,471	32,107,341
Capital assets (note 6)	4,214,396	3,534,309
Equity investment (note 7)	2,624,576	2,654,673
	<u>41,951,675</u>	<u>41,814,670</u>
	<u>78,302,916</u>	<u>65,850,132</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	792,448	1,045,236
Asset retirement obligation (note 9)	564,830	561,964
	<u>1,357,278</u>	<u>1,607,200</u>
Shareholders' equity (note 10)		
Share Capital		
Class A preferred shares, without par value, unlimited shares authorized. No shares issued and outstanding	-	-
Common shares, without par value, unlimited shares authorized. Shares issued and outstanding: 121,075,431 at June 30, 2012 and 103,675,444 at December 31, 2011	177,063,521	160,432,843
Warrants	44,271	44,271
Contributed surplus	14,097,979	13,091,172
Deficit	(114,260,133)	(109,325,354)
	<u>76,945,638</u>	<u>64,242,932</u>
	<u>78,302,916</u>	<u>65,850,132</u>

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

Approved by the Board of Directors

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

(signed) /s/ Thomas Parker, Director

Ur-Energy Inc.

(an Exploration Stage Company)

Unaudited Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit

(expressed in Canadian dollars except for share data)

	Three Months Ended June 30, 2012 \$	Three Months Ended June 30, 2011 \$	Six Months Ended June 30, 2012 \$	Six Months Ended June 30, 2011 \$	March 22, 2004 Through June 30, 2012 \$
Expenses					
Exploration and evaluation	838,468	1,130,659	1,651,846	2,291,986	56,162,944
Development	672,452	700,935	1,039,108	1,455,387	25,809,641
General and administrative	1,487,515	2,862,777	3,324,324	4,768,905	43,060,025
Write-off of mineral properties	-	-	-	-	803,336
	(2,998,435)	(4,694,371)	(6,015,278)	(8,516,278)	(125,835,946)
Interest income	91,637	65,597	155,160	136,803	9,733,261
Loss on equity investment (note 7)	(2,327)	(6,629)	(34,151)	(26,725)	(392,379)
Foreign exchange gain (loss)	380,428	98,947	(4,830)	(685,250)	683,117
Other income (loss) (note 5)	(11,625)	(9,913)	964,320	(61,293)	1,847,354
Loss before income taxes	(2,540,322)	(4,546,369)	(4,934,779)	(9,152,743)	(113,964,593)
Recovery of future income taxes	-	-	-	-	(295,540)
Net loss and comprehensive loss for the period	(2,540,322)	(4,546,369)	(4,934,779)	(9,152,743)	(114,260,133)
Deficit - Beginning of period	(111,719,811)	(97,674,852)	(109,325,354)	(93,068,478)	-
Deficit - End of period	(114,260,133)	(102,221,221)	(114,260,133)	(102,221,221)	(114,260,133)
Loss per common share:					
Basic and diluted	(0.02)	(0.05)	(0.04)	(0.09)	
Weighted average number of common shares outstanding:					
Basic and diluted	121,073,896	103,533,807	115,911,195	103,269,924	

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

Ur-Energy Inc.
(an Exploration Stage Company)
Unaudited Interim Consolidated Statements of Shareholders' Equity

(expressed in Canadian dollars except for share data)

	Capital Stock			Contributed		Shareholders'
	Shares	Amount	Warrants	Surplus	Deficit	Equity
	#	\$	\$	\$	\$	\$
Balance, December 31, 2011	103,675,444	160,432,843	44,271	13,091,172	(109,325,354)	64,242,932
Exercise of stock options	29,628	40,705	-	(14,245)	-	26,460
Common shares issued for cash, net of issue costs	17,250,000	16,244,543	-	-	-	16,244,543
Redemption of vested RSUs	120,359	345,430	-	(364,299)	-	(18,869)
Non-cash stock compensation	-	-	-	1,385,351	-	1,385,351
Net loss and comprehensive loss	-	-	-	-	(4,934,779)	(4,934,779)
Balance, June 30, 2012	<u>121,075,431</u>	<u>177,063,521</u>	<u>44,271</u>	<u>14,097,979</u>	<u>(114,260,133)</u>	<u>76,945,638</u>

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

Ur-Energy Inc.

(an Exploration Stage Company)

Unaudited Interim Consolidated Statements of Cash Flow

(expressed in Canadian dollars)

	Three Months Ended June 30, 2012 \$	Three Months Ended June 30, 2011 \$	Six Months Ended June 30, 2012 \$	Six Months Ended June 30, 2011 \$	March 22, 2004 Through June 30, 2012 \$
Cash provided by (used in)					
Operating activities					
Net loss for the period	(2,540,322)	(4,546,369)	(4,934,779)	(9,152,743)	(114,260,133)
Items not affecting cash:					
Stock based compensation	673,654	618,438	1,385,351	1,255,676	20,251,918
Depreciation of capital assets	106,146	116,588	214,068	237,998	2,368,319
Provision for reclamation	-	-	-	-	589,632
Write-off of mineral properties	-	-	-	-	803,336
Loss on equity investment	-	-	31,831	-	342,772
Foreign exchange loss (gain)	(380,547)	(98,947)	4,573	685,250	(686,507)
Gain on sale of assets	-	-	(970,320)	-	(2,037,404)
Non-cash exploration costs	-	-	-	-	2,726,280
Other loss (income)	11,625	15,750	6,000	67,125	23,873
Change in non-cash working capital items:					
Amounts receivable	14,075	937	5,196	(6,846)	115
Prepaid expenses	(252,619)	(71,774)	(223,354)	(115,320)	(339,814)
Accounts payable and accrued liabilities	(32,975)	1,092,967	(302,405)	1,363,397	517,834
	<u>(2,400,963)</u>	<u>(2,872,410)</u>	<u>(4,783,839)</u>	<u>(5,665,463)</u>	<u>(89,699,779)</u>
Investing activities					
Mineral property costs	(8,960)	(43,304)	(253,810)	(152,166)	(14,139,723)
Purchase of short-term investments	(6,784,967)	(3,552,840)	(8,322,706)	(5,771,814)	(199,036,796)
Sale of short-term investments	3,836,118	4,243,469	6,422,379	4,551,940	191,755,979
Decrease (increase) in restricted cash	1,730,209	(452)	2,244,413	1,193,007	(2,292,287)
Funding of equity investment	-	-	(1,734)	-	(30,889)
Payments from venture partner	-	-	-	-	146,806
Proceeds from sale of property and equipment	-	-	-	-	1,127,218
Purchase of capital assets	(416,064)	(103,944)	(864,589)	(530,234)	(6,524,480)
	<u>(1,643,664)</u>	<u>542,929</u>	<u>(776,047)</u>	<u>(709,267)</u>	<u>(28,994,172)</u>
Financing activities					
Issuance of common shares and warrants for cash	-	-	17,250,000	-	144,306,538
Share issue costs	(54,282)	-	(980,458)	-	(3,829,332)
Proceeds from exercise of warrants and stock options	10,950	136,590	26,460	3,292,956	25,472,347
RSUs redeemed for cash in lieu of shares	-	-	(18,868)	-	(18,868)
Payment of New Frontiers obligation	-	-	-	-	(17,565,125)
	<u>(43,332)</u>	<u>136,590</u>	<u>16,277,134</u>	<u>3,292,956</u>	<u>148,365,560</u>
Effects of foreign exchange rate changes on cash					
	<u>265,042</u>	<u>92,543</u>	<u>(23,606)</u>	<u>(617,393)</u>	<u>(2,808,488)</u>
Net change in cash and cash equivalents	<u>(3,822,917)</u>	<u>(2,100,348)</u>	<u>10,693,642</u>	<u>(3,699,167)</u>	<u>26,863,121</u>
Beginning cash and cash equivalents	<u>30,686,038</u>	<u>27,119,996</u>	<u>16,169,479</u>	<u>28,718,815</u>	<u>-</u>
Ending cash and cash equivalents	<u>26,863,121</u>	<u>25,019,648</u>	<u>26,863,121</u>	<u>25,019,648</u>	<u>26,863,121</u>
Non-cash financing and investing activities:					
Common shares issued for properties	-	-	-	-	1,164,750
Mineral property acquired in asset exchange	-	-	970,320	-	970,320

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

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

1. Nature of operations

Ur-Energy Inc. (the "Company") is an exploration stage junior mining company headquartered in Littleton, Colorado, engaged in the identification, acquisition, exploration, evaluation and development of uranium mineral properties located primarily in the United States with additional exploration interests in Canada. Due to the nature of the uranium mining methods to be used by the Company on the Lost Creek property, and the definition of "mineral reserves" under National Instrument 43-101 ("NI 43-101"), which uses the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards, the Company has not determined whether the properties contain mineral reserves. However, the Company's April 30, 2012 NI 43-101 Technical Report on Lost Creek, "*Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming*," outlines the potential economic viability of the Lost Creek Property, which is currently in the permitting process with federal and state regulators. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

2. Summary of Significant Accounting Policies

Basis of presentation

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

These unaudited interim consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. The unaudited interim financial statements reflect all normal adjustments which in the opinion of management are necessary for a fair statement of the results for the periods presented. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2011.

3. Cash and cash equivalents and short-term investments

The Company's cash and cash equivalents consist of the following:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Cash on deposit at banks	1,552,817	595,982
Money market funds	25,310,304	15,573,497
	<u>26,863,121</u>	<u>16,169,479</u>

The Company's short-term investments consist of the following:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Guaranteed investment certificates	4,794,982	4,925,267
Certificates of deposit	4,063,645	2,002,256
	<u>8,858,627</u>	<u>6,927,523</u>

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

Cash and cash equivalents and short-term investments bear interest at annual rates ranging from 0.25% to 1.40% and mature at various dates up to June 28, 2013. The instruments with initial maturity over ninety days have been classified as short-term investments.

4. Restricted cash

The Company's current restricted cash consists of the following:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Guaranteed investment certificate (a)	287,500	287,500
Certificates of deposit (b)	-	514,336
	<u>287,500</u>	<u>801,836</u>

The Company's non-current restricted cash consists of the following:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Money market account (c)	1,781,232	189,809
Certificates of deposit (c)	-	3,328,538
	<u>1,781,232</u>	<u>3,518,347</u>

- (a) A guaranteed investment certificate is security for the Company's credit cards. If the credit card account is cancelled, which can be done at any time, the certificate can either be cashed or will no longer be encumbered.
- (b) In conjunction with a trust, the Company established an account in accordance with a severance agreement which was subsequently closed when the severance was paid.
- (c) The bonding requirements for reclamation obligations on various properties have been agreed to by the Wyoming Department of Environmental Quality and United States Department of the Interior. The restricted certificates of deposits and money market accounts are pledged as collateral against performance surety bonds, letters of credit and/or promissory notes underlying letters of credit which are used to secure potential costs of reclamation related to those properties. Surety bonds providing \$3,509,891 of coverage towards specific reclamation obligations are secured by \$1,754,945 of the reserved cash at June 30, 2012.

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

5. Mineral properties

The Company's mineral properties consist of the following:

	USA		Canada	Total
	Lost Creek Property \$	Other US Properties \$	Canadian Properties \$	\$
Balance, December 31, 2011	14,194,086	17,389,588	523,667	32,107,341
Acquisition costs	252,386	1,424	-	253,810
Property acquired in asset exchange	970,320	-	-	970,320
Balance, June 30, 2012	15,416,792	17,391,012	523,667	33,331,471

United States

Lost Creek Property

The Company acquired certain Wyoming properties when Ur-Energy USA Inc. entered into the Membership Interest Purchase Agreement ("MIPA") with New Frontiers Uranium, LLC in 2005. Under the terms of the MIPA, the Company purchased 100% of NFU Wyoming, LLC. Assets acquired in this transaction include the Lost Creek Project, other Wyoming properties and development databases. NFU Wyoming was acquired for aggregate consideration of \$24,515,832 (US\$20,000,000) plus interest. Since 2005, the Company has increased its holdings adjacent to the initial Lost Creek acquisition through staking additional claims and additional property purchases and leases.

A royalty on future production of 1.67% is in place with respect to 20 mining claims at the Lost Creek Project. There is a royalty on the State of Wyoming section under lease at the project, as required by law; however, no production from the state lease is currently proposed. Other royalties exist on certain mining claims on the LC South and EN Projects, and the State of Wyoming leases at the LC West and EN Projects. There are no royalties on the mining claims in the LC North, LC East or LC West Projects.

In February 2012, the Company acquired additional land and claims through an asset exchange for a drilling database on an area not currently being evaluated by the Company. The fair value of the data base was approximately \$1 million and the gain is recognized in other income in the current year.

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

6. Capital assets

The Company's capital assets consist of the following:

	As of June 30, 2012			As of December 31, 2011		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Rolling stock	1,940,103	1,610,880	329,223	1,922,483	1,465,362	457,121
Machinery and equipment	296,233	291,805	4,428	296,233	265,578	30,655
Furniture, fixtures and leasehold improvements	76,942	50,026	26,916	74,992	45,880	29,112
Information Technology	678,328	468,549	209,779	566,457	430,372	136,085
Pre-construction costs	3,644,050	-	3,644,050	2,881,336	-	2,881,336
	<u>6,635,656</u>	<u>2,421,260</u>	<u>4,214,396</u>	<u>5,741,501</u>	<u>2,207,192</u>	<u>3,534,309</u>

7. Equity investment

Following its earn-in to the Bootheel Project, in 2009, Crosshair Energy Corporation ("Crosshair") was required to fund 75% of the Project's expenditures and the Company the remaining 25%. The Project is now accounted for using the equity accounting method with the Company's proportionate share of the Project's loss included in the Statement of Operations from the date of earn-in and the Company's net investment reflected on the Balance Sheet.

The Company elected to not participate financially in the exploration and operating expenses for the fiscal year ending March 31, 2012 as allowed for in the Project operating agreement. Under the terms of the agreement, if the Company elects not to participate financially, the Company's interest will be reduced proportionately based on cumulative contribution by each of the parties to the Project. As of March 31, 2012, the Company's ownership percentage was reduced to 19.1%

8. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Accounts payable	581,473	307,364
Vacation pay payable	163,235	143,074
Payroll and other taxes	47,740	50,871
Severance payable	-	543,927
	<u>792,448</u>	<u>1,045,236</u>

9. Asset retirement obligation

The Company has recorded \$564,830 for asset retirement obligations (December 31, 2011 – \$561,964) which represents an estimate of costs that would be incurred to remediate the Company's exploration and development properties. The retirement obligations recorded relate entirely to exploration and development drill holes, related monitor wells and site disturbance on the Company's U.S. properties. The non-current restricted cash as discussed in note 4 is related to surety bonds and letters of credit which provide security to the related governmental agencies on these obligations.

(expressed in Canadian dollars)

10. Shareholders' equity and capital stock

Authorized

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

Issuances

On February 23, 2012, the Company completed a private placement of 17,250,000 common shares at \$1.00 per share raising gross proceeds of \$17,250,000. Total direct share issue costs, including the placement agents' commission, were \$1,005,457.

During the six months ended June 30, 2012, 29,628 common shares were issued pursuant to the exercise of stock options. In addition, the Company exchanged 120,359 common shares for vested RSUs.

Stock options

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

Activity during the six month period with respect to stock options is summarized as follows:

	Options #	Weighted- average exercise price \$
Outstanding, December 31, 2011	6,413,902	1.79
Granted	1,495,625	0.99
Exercised	(29,628)	0.89
Forfeited	(81,574)	2.09
Expired	(15,000)	4.75
Outstanding, June 30, 2012	<u>7,783,325</u>	1.63

The weighted average grant date fair value was \$0.52 for the six months ended June 30, 2012. The exercise price of a new grant is set at the closing price for the stock on the Toronto Stock Exchange (TSX) on the trading day immediately preceding the grant date so there is no intrinsic value as of the date of grant. The total fair value of options vested during the three and six months ended June 30, 2012 was \$0.4 million and \$1.0 million, respectively.

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

As of June 30, 2012, outstanding stock options are as follows:

Exercise price \$	Options outstanding			Options exercisable			Expiry
	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value \$	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value \$	
3.67	200,000	0.0	-	200,000	0.0	-	July 15, 2012
3.00	437,500	0.1	-	437,500	0.1	-	August 9, 2012
3.16	50,000	0.2	-	50,000	0.2	-	September 17, 2012
2.98	50,000	0.3	-	50,000	0.3	-	October 5, 2012
4.07	30,000	0.4	-	30,000	0.4	-	November 7, 2012
1.65	695,000	0.9	-	695,000	0.9	-	May 8, 2013
1.72	25,000	1.1	-	25,000	1.1	-	August 6, 2013
0.71	452,447	1.6	22,622	452,447	1.6	22,622	February 9, 2014
0.90	817,037	2.2	-	817,037	2.2	-	September 2, 2014
0.81	570,349	2.7	-	570,349	2.7	-	March 5, 2015
2.87	1,341,878	3.6	-	1,084,692	3.6	-	January 28, 2016
1.57	645,000	4.0	-	348,300	4.0	-	July 7, 2016
1.17	799,862	4.2	-	436,759	4.2	-	September 9, 2016
1.16	200,000	4.3	-	64,000	4.3	-	October 24, 2016
0.91	1,169,252	4.5	-	381,563	4.5	-	January 12, 2017
1.39	200,000	4.6	-	64,000	4.6	-	February 1, 2017
1.18	100,000	4.7	-	10,000	4.7	-	March 1, 2017
1.63	<u>7,783,325</u>	3.2	<u>22,622</u>	<u>5,716,647</u>	2.5	<u>22,622</u>	

The aggregate intrinsic value of the options in the preceding table represents the total pre-tax intrinsic value for stock options with an exercise price less than the Company's TSX closing stock price of \$0.76 as of the last trading day in the period ended June 30, 2012, that would have been received by the option holders had they exercised their options as of that date. The total number of in-the-money stock options outstanding as of June 30, 2012 was 452,447. The total number of in-the-money stock options exercisable as of June 30, 2012 was 452,447.

Restricted Share Units ("RSUs")

On June 24, 2010, the Company's shareholders approved the adoption of the Company's restricted share unit plan (the "RSU Plan"). Eligible participants under the RSU Plan include directors and employees of the Company. Under the terms of the RSU Plan, RSUs vest with participants as follows: 50% on the first anniversary of the date of the grant and 50% on the second anniversary of the date of the grant.

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

Activity during the six month period with respect to RSUs is summarized as follows:

	RSUs #	Weighted Average Grant Date Fair Value \$
Unvested, December 31, 2011	276,365	2.87
Granted	298,912	0.91
Vested	(136,789)	2.87
Forfeited	(14,947)	1.65
Unvested, June 30, 2012	<u>423,541</u>	1.53

As of June 30, 2012, outstanding RSUs are as follows:

Grant Date	Number of unvested options	Weighted- average remaining amortization life (years)	Aggregate Value
January 28, 2011	133,943	0.58	101,797
January 12, 2012	<u>289,598</u>	1.54	<u>220,094</u>
	<u>423,541</u>	1.23	<u>321,891</u>

Upon vesting, the holder of an RSU will receive one common share, for no additional consideration, for each RSU held.

Share-Based Compensation Expense

Stock-based compensation expense was \$0.7 million and \$0.6 million for the three months ended June 30, 2012 and 2011, respectively, and \$1.4 million and \$1.3 million for the six months ended June 30, 2012 and 2011, respectively.

As of June 30, 2012, there was approximately \$1.0 million of total unrecognized compensation expense (net of estimated pre-vesting forfeitures) related to unvested share-based compensation arrangements granted under the Option Plan and \$0.4 million under the RSU Plan. The expenses are expected to be recognized over a weighted-average period of 0.8 years and 1.0 years, respectively.

Cash received from stock options exercised during the six months ended June 30, 2012 and 2011 was less than \$0.1 million and \$3.3 million, respectively.

Fair Value Calculations

The fair value of options granted during the six months ended June 30, 2012 and 2011 was determined using the Black-Scholes option pricing model with the following assumptions:

	2012	2011
Expected option life (years)	3.29-3.30	3.24 - 3.26
Expected volatility	73-78%	79-81%
Risk-free interest rate	1.0-1.3%	1.4-1.9%
Forfeiture rate	4.7-4.8%	4.4-5.1%
Expected dividend rate	0%	0%

Ur-Energy Inc.
(an Exploration Stage Company)
Notes to Unaudited Interim Consolidated Financial Statements
June 30, 2012

(expressed in Canadian dollars)

The Company estimates expected volatility using daily historical trading data of the Company's common shares, because this method is recognized as a valid method used to predict future volatility. The risk-free interest rates are determined by reference to Canadian Treasury Note constant maturities that approximate the expected option term. The Company has never paid dividends and currently has no plans to do so.

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

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

The fair value used for the RSUs issued in January 2012 and 2011 was \$0.91 and \$2.87, respectively, per unit which was the closing price of the stock on the TSX as of the trading day immediately preceding the grant date.

11. Financial instruments

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

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short-term investments and restricted cash. These assets consist of Canadian dollar and U.S. dollar denominated guaranteed investment certificates, certificates of deposits, money market accounts and demand deposits. They bear interest at annual rates ranging from 0.25% to 1.4% and mature at various dates up to June 28, 2013. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$0.9 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation or the United States Federal Deposit Insurance Corporation. Another \$3.6 million is guaranteed by a Canadian provincial government leaving approximately \$33.3 million at risk at June 30, 2012 should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets to be impaired as of June 30, 2012.

Liquidity risk

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

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

As at June 30, 2012, the Company's financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of \$0.8 million all of which are due within normal trade terms of generally 30 to 60 days.

Market risk

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

Interest rate risk

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

Currency risk

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

At June 30, 2012, the Company had cash and cash equivalents, short-term investments and restricted cash of approximately US\$13.4 million (US\$18.9 million as at December 31, 2011) and had accounts payable and accrued liabilities of US\$0.5 million (US\$0.9 million as at December 31, 2011) which were denominated in U.S. dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net US dollar denominated assets and liabilities at period end. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in US dollar foreign exchange rate would have a +/- \$1.3 million impact on net loss for the six months ended June 30, 2012. This impact is primarily as a result of the Company having cash and investment balances denominated in US dollars and US dollar denominated trade payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.2 million impact on net loss for the six months ended June 30, 2012. The Company's average interest rate for the period was 0.98% which is less than 100 basis points. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ from that shown above.

12. Commitments

Rent expense under lease agreements totaled \$0.1 million and \$0.1 million for the three months ended June 30, 2012 and 2011 respectively, and \$0.2 million and \$0.2 million for the six months ended June 30, 2012 and 2011 respectively.

Purchase orders totaling US\$4.0 million have been issued for ion exchange columns and other process equipment. Payments of US\$1.8 million have been made to date on these purchase orders. These payments are reflected in pre-construction costs which are included in capital assets (note 6).

13. Subsequent Events

Subsequent to quarter end, the Company has announced the execution of a Share Purchase Agreement ("SPA") to acquire Pathfinder Mines Corporation ("Pathfinder"). The transaction calls for the purchase of all issued and outstanding shares of Pathfinder from its sole shareholder, COGEMA Resources, Inc., an AREVA Mining affiliate, for US\$13,250,000. The initial payment of US\$1,325,000 was made upon execution of the SPA and will be held in escrow pending the approval by the Nuclear Regulatory Commission ("NRC") for the change of control of an NRC License for the Shirley Basin mine site owned by Pathfinder. Subject to that and other regulatory and governmental approvals, together with customary closing conditions, closing of the transaction is anticipated in 6 – 12 months.

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

Management's Discussion and Analysis

June 30, 2012

(expressed in Canadian dollars)

Ur-Energy Inc.

(an Exploration Stage Company)

Management's Discussion and Analysis**For the Three and Six Months Ended June 30, 2012**

(Information as at July 26, 2012 unless otherwise noted)

Introduction

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

The following provides management's discussion and analysis of results of operations and financial condition for the six months ended June 30, 2012 and 2011. The Management Discussion and Analysis ("MD&A") was prepared by Company management and approved by the board of directors on July 26, 2012. This discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2011, 2010, and 2009. All figures are presented in Canadian dollars, unless otherwise noted. The financial statements and related information herein have been prepared in accordance with United States generally accepted accounting principles ("US GAAP").

Forward-Looking Information

This MD&A contains "forward-looking statements" within the meaning of applicable United States and Canadian securities laws, and these forward-looking statements can be identified by the use of words such as "expect", "anticipate", "estimate", "believe", "may", "potential", "intends", "plans" and other similar expressions or statements that an action, event or result "may", "could" or "should" be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) the technical and economic viability of the Lost Creek Property (including the projections contained in the preliminary economic analysis of the Lost Creek Property); (ii) receipt of (and related timing of) the Record of Decision from the U.S. Bureau of Land Management, and other necessary permits related to the Lost Creek Project; (iii) the Lost Creek Project will advance to production and the production timeline; (iv) production rates, timetables and methods of recovery at the Lost Creek Property; (v) the Company's procurement and construction plans at the Lost Creek Project; (vi) the potential of exploration targets at and the results from exploration and development drilling on the Lost Creek Property, including the lands acquired by the Company at LC East and LC West; (vii) the ability to complete additional uranium sales agreements, and upon what terms; (viii) timing, completion, funding for and results of exploration programs outside the Lost Creek Property; (ix) the ability to complete the acquisition of Pathfinder Mines pursuant to the definitive agreement, and the timing for closing of the transaction and (x) the ability to obtain financing at favorable terms to complete the construction and development of the Lost Creek Project as the Company advances the Pathfinder acquisition. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with startup), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimates of goals for expansion and growth of the business and operations; plans and references to the Company's future successes; the Company's history of operating losses and uncertainty of future profitability; the Company's status as an exploration stage company; the Company's lack of mineral reserves; risks associated with obtaining permits in the United States and Canada; risks associated with current variable economic conditions; the possible impact of future financings; the hazards associated with mining construction and production; compliance with environmental laws and regulations; uncertainty regarding the pricing and collection of accounts; risks associated with dependence on sales in foreign countries; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with a Canada Revenue Agency or U.S. Internal Revenue Service audit of any of the Company's cross border transactions; adverse changes in general business conditions in any of the countries in which the Company does business; changes in the Company's size and structure; the effectiveness of the Company's management and its strategic relationships; risks associated with the Company's ability to attract and retain key personnel; uncertainties regarding the Company's need for additional capital; uncertainty regarding the fluctuations of the Company's quarterly results; uncertainties relating to the Company's status as a non-U.S. corporation; uncertainties related to the volatility of the Company's share price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Company's listing on the NYSE MKT LLC ("NYSE MKT") and Toronto Stock Exchange ("TSX"); risks associated with the Company's expected classification as a "passive foreign investment company" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company's status as a "controlled foreign corporation" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company's investments and other risks and uncertainties described under the heading "Risk Factors" of the Company's Annual Information Form and its Annual Report on Form 40-F, dated March 2, 2012, which are filed, respectively, on SEDAR at <http://www.sedar.com> and with the U.S. Securities and Exchange Commission at <http://www.sec.gov/edgar.shtml>.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Cautionary Note to U.S. Investors – Resource Estimates: The terms “Mineral Resource,” “Measured Mineral Resource,” “Indicated Mineral Resource” and “Inferred Mineral Resource,” as used in the Company’s disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves, adopted by the CIM Council on November 23, 2003. These Canadian terms are not defined terms under United States Securities and Exchange Commission (“SEC”) Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC by U.S. registered companies. The SEC permits U.S. companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Accordingly, note that information contained in this disclosure describing the Company’s “Mineral Resources” is not directly comparable to information made public by U.S. companies subject to reporting requirements under U.S. securities laws (wherein “reserves and not “resources” may be disclosed and discussed). Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically mineable. U.S. investors are urged to consider closely the disclosure in our Annual Report on Form 40-F which may be secured from us, or online at <http://www.sec.gov/edgar.shtml>.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Nature of Operations and Description of Business

The Company is an exploration stage junior mining company engaged in the identification, acquisition, exploration, evaluation and development of uranium mineral properties in the United States and Canada. The Company is primarily focused on exploration within the geological uranium province centered on Wyoming. The Company's Lost Creek Project is progressing through the regulatory process and is expected to have all necessary licenses and permits to allow for construction in the coming months.

Due to the nature of the uranium mining methods to be used by the Company on the Lost Creek Property, and the definition of "mineral reserves" under National Instrument 43-101 ("NI 43-101"), which uses the CIM Definition Standards, the Company has not determined whether the property contains mineral reserves. However, the Company's April 30, 2012 NI 43-101 "Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming" outlines the economic viability of the Lost Creek Property, which is currently in the permitting process with governmental regulators. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties, the ability of the Company to obtain the necessary permits to operate the properties and to achieve future profitable production from the properties or sufficient proceeds from disposition of the properties.

Selected Information

The following table contains selected financial information as of June 30, 2012 and December 31, 2011.

	As of June 30, 2012 \$ (unaudited)	As of December 31, 2011 \$
Total assets	78,302,916	65,850,132
Total liabilities	<u>(1,357,278)</u>	<u>(1,607,200)</u>
Net assets	<u>76,945,638</u>	<u>64,242,932</u>
Capital stock and contributed surplus	191,205,771	173,568,286
Deficit	<u>(114,260,133)</u>	<u>(109,325,354)</u>
Shareholders' equity	<u>76,945,638</u>	<u>64,242,932</u>

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

The following table contains selected financial information for the three and six months ended June 30, 2012 and 2011 and cumulative information from inception of the Company on March 22, 2004 through June 30, 2012.

	Three months ended June 30, 2012 (unaudited) \$	Three months ended June 30, 2011 (unaudited) \$	Six months ended June 30, 2012 (unaudited) \$	Six months ended June 30, 2011 (unaudited) \$	March 22, 2004 Through June 30, 2012 (unaudited) \$
Revenue	Nil	Nil	Nil	Nil	Nil
Total expenses ⁽¹⁾	(2,998,435)	(4,694,371)	(6,015,278)	(8,516,278)	(125,835,946)
Interest income	91,637	65,597	155,160	136,803	9,733,261
Loss on equity investment	(2,327)	(6,629)	(34,151)	(26,725)	(392,379)
Foreign exchange gain (loss)	380,428	98,947	(4,830)	(685,250)	683,117
Other income (loss)	(11,625)	(9,913)	964,320	(61,293)	1,847,354
Loss before income taxes	(2,540,322)	(4,546,369)	(4,934,779)	(9,152,743)	(113,964,593)
Income tax expense	Nil	Nil	Nil	Nil	(295,540)
Net loss for the period	<u>(2,540,322)</u>	<u>(4,546,369)</u>	<u>(4,934,779)</u>	<u>(9,152,743)</u>	<u>(114,260,133)</u>
Loss per common share:					
Basic and diluted	(0.02)	(0.05)	(0.04)	(0.09)	
Cash dividends per common share	Nil	Nil	Nil	Nil	
(1) Stock based compensation included in total expenses	673,654	618,438	1,385,351	1,255,676	20,251,918

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

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

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Summary of Quarterly Financial Information

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

	Quarter Ended							
	Jun. 30 2012 \$ (Unaudited)	Mar. 31 2012 \$ (Unaudited)	Dec. 31 2011 \$ (Unaudited)	Sep. 30 2011 \$ (Unaudited)	Jun. 30 2011 \$ (Unaudited)	Mar. 31 2011 \$ (Unaudited)	Dec. 31 2010 \$ (Unaudited)	Sep. 30 2010 \$ (Unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total expenses	(2,998,435)	(3,016,843)	(3,446,960)	(4,330,444)	(4,694,371)	(3,821,907)	(3,227,656)	(5,225,345)
Interest income	91,637	63,523	48,606	55,187	65,597	71,206	70,302	83,516
Loss on equity investment	(2,327)	(31,824)	(283,918)	(298)	(6,629)	(20,096)	(2,401)	(13,635)
Foreign exchange gain (loss)	380,428	(385,258)	(253,370)	1,122,547	98,947	(784,197)	(819,035)	(588,286)
Other income (loss)	(11,625)	975,945	(4,575)	(10,908)	(9,913)	(51,380)	60,375	8,586
Loss before income taxes	(2,540,322)	(2,394,457)	(3,940,217)	(3,163,916)	(4,546,369)	(4,606,374)	(3,918,415)	(5,735,164)
Income tax expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss for the period	(2,540,322)	(2,394,457)	(3,940,217)	(3,163,916)	(4,546,369)	(4,606,374)	(3,918,415)	(5,735,164)
Loss per common share:								
Basic and diluted	(0.02)	(0.02)	(0.04)	(0.03)	(0.05)	(0.04)	(0.04)	(0.06)

Overall Performance and Results of Operations

From inception through June 30, 2012, the Company has raised net cash proceeds of \$165.9 million from the issuance of common shares and warrants and from the exercise of warrants and stock options. As at June 30, 2012, the Company held cash and cash equivalents, and short-term investments of \$35.7 million. The Company's cash resources are invested with financial institutions in Canada and the United States in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts.

The results of operations vary based upon projects that often occur within a quarter or over a few quarters. The first quarter brought expansion to the Company as it completed a \$17.3 million private placement of common shares. The Company also completed an exchange of data for land adjacent to the Lost Creek Project and recognized a gain which is reflected in other income for the period. The second quarter was spent completing an updated NI 43-101 Technical Report on Lost Creek, "*Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming*," (the "April 2012 PEA") as well as planning, designing and setting the groundwork for the anticipated start of construction later this year.

During the period, the pending Bureau of Land Management ("BLM") approval, as well as the greater sage grouse breeding and brooding seasonal restrictions, precluded work at Lost Creek. The BLM approval is anticipated shortly, and the seasonal restrictions concluded July 15. Operating costs were lower than the comparable period in the previous year due to the personnel changes made last May and the issuance of the Nuclear Regulatory Commission ("NRC") license.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Subsequent to quarter end, the Company has announced the execution of a Share Purchase Agreement ("SPA") to acquire Pathfinder Mines Corporation ("Pathfinder"). The transaction calls for the purchase of all issued and outstanding shares of Pathfinder from its sole shareholder, COGEMA Resources, Inc., an AREVA Mining affiliate, for US\$13,250,000. The initial payment of US\$1,325,000 was made upon execution of the SPA and will be held in escrow pending the approval by the NRC for the change of control of an NRC License for the Shirley Basin mine site owned by Pathfinder. Subject to that and other regulatory and governmental approvals, together with customary closing conditions, closing of the transaction is anticipated in 6 – 12 months.

Pathfinder owns the Shirley Basin and Lucky Mc mine sites in the Shirley Basin and Gas Hills mining districts of Wyoming, respectively, from which it historically produced more than 71 million pounds of uranium, primarily from the 1960s through the 1990s. Internal historic reports prepared by Pathfinder estimate the presence of remaining resources at the two projects totalling approximately 15 million pounds U₃O₈. These historic reports estimate that the Shirley Basin project holds over 10 million pounds U₃O₈ at a GT (grade-thickness) cut off of 0.25% U₃O₈. The average grade reported for the property is 0.21% U₃O₈. Lucky Mc holds an additional 4.7 million pounds U₃O₈ at similar grade. These historic resource calculations were reviewed by Ur-Energy during due diligence but a qualified person has not completed sufficient work to classify the historical estimates as current mineral resources or mineral reserves under NI 43-101 and Ur-Energy is not treating the historic estimate as current mineral resources or mineral reserves. The tailings facility at the Shirley Basin site is one of the few remaining facilities in the U.S. that is licensed by the NRC to receive and dispose of byproduct waste material from other in situ uranium mines.

Together with property holdings of patented lands, unpatented mining claims and private leases totalling more than 5,100 acres, the Company acquires all historic geologic, engineering and operational data related to the two areas held by Pathfinder. Additionally, Ur-Energy acquires all historic Pathfinder U.S. exploration and development data in a database estimated to comprise hundreds of project descriptions in more than twenty states, including thousands of drill logs and geologic reports.

Both Lucky Mc and Shirley Basin conventional mine operations were suspended in the 1990s due to low uranium pricing and facility reclamation was substantially completed. After closing of the transaction, the Company will assume responsibility to complete the remaining reclamation work at Shirley Basin and the Lucky Mc mine site. The Lucky Mc tailings site was fully reclaimed and has been transferred to the U.S. Department of Energy. Ur-Energy will therefore assume no obligations with respect to the NRC License at the Lucky Mc tailings site, which will either be terminated or will be assumed by COGEMA or an affiliate prior to the closing of the transaction.

Mineral Properties

The Company holds mineral properties in the United States and Canada totalling approximately 240,000 acres (97,310 hectares).

Lost Creek Property – Great Divide Basin, Wyoming

The Lost Creek Property is located in the Great Divide Basin, Wyoming and comprises six projects covering a total of approximately 43,500 acres (17,600 hectares): Lost Creek permit area ("Lost Creek Project"), EN, LC South, LC North, LC East and LC West. In recent months, the Company has expanded its land position at the Lost Creek Property through the location of more than 250 additional unpatented mining claims and the acquisition, in February 2012, of approximately 5,250 acres (2,125 hectares) through an asset exchange. These lands primarily comprise the LC West and LC East projects. The Company now controls 2,184 unpatented mining claims and four State of Wyoming uranium leases in the Lost Creek Property.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

At the Lost Creek Project, currently being advanced to regulatory approval and construction, the uranium deposit's Main Mineral Trend ("MMT") is approximately three miles (4.8 kilometers) long with the mineralization occurring between 315 feet (96 meters) and 700 feet (213 meters) in depth. The East Mineral Trend (the "EMT") is a newly acquired, second, mineral trend of significance. It was identified by historic drilling on the newly acquired lands forming LC East. Although geologically similar, it appears to be a separate and independent trend from the MMT. The EMT assumes a generalized northeast-southwest orientation extending for approximately six and one-half miles with a width of 500 feet (152 meters) to 1,500 feet (457 meters).

A royalty on future production of 1.67% is in place with respect to 20 mining claims at the Lost Creek Project. There is a royalty on the State of Wyoming section under lease at the project, as required by law; however, no production from the state lease is currently proposed. Other royalties exist on certain mining claims on the LC South and EN Projects, and the State of Wyoming leases at the LC West and EN Projects. There are no royalties on the mining claims in the LC North, LC East or LC West Projects.

Lost Creek Property Preliminary Economic Assessment and Mineral Resources

In 2012, through two new NI 43-101 reports, mineral resources have been estimated for the first time on four of the Lost Creek area projects: LC North, LC South, LC East and LC West. As well, earlier mineral resource estimates at Lost Creek Project were updated following drilling in 2011 and further analysis of historic drill data.

Most recently, the April 2012 PEA authored by John K. Cooper, P.G., SME Registered Member and Catherine L. Bull, P.E. SME Registered Member (both, Ur-Energy) included the following updated mineral resource estimate for the Lost Creek Property:

PROJECT	MEASURED			INDICATED			INFERRED		
	AVG GRADE % eU ₃ O ₈	SHORT TONS (X 1000)	POUNDS (X 1000)	AVG GRADE % eU ₃ O ₈	SHORT TONS (X 1000)	POUNDS (X 1000)	AVG GRADE % eU ₃ O ₈	SHORT TONS (X 1000)	POUNDS (X 1000)
LOST CREEK	0.055	2,692.1	2,942.9	0.058	2,413.8	2,822.4	0.054	937.5	1,015.7
LC EAST	0.054	1,158.3	1,255.9	0.043	1,551.3	1,327.0	0.045	910.8	815.3
LC NORTH	—	—	—	—	—	—	0.048	413.8	398.2
LC SOUTH	—	—	—	—	—	—	0.042	710.0	602.6
LC WEST	—	—	—	—	—	—	0.109	17.2	37.4
EN	—	—	—	—	—	—	—	—	—
GRAND TOTAL	0.055	3,850.4	4,198.8	0.053	3,965.1	4,149.4	0.049	2,989.2	2,869.1
			MEASURED + INDICATED =		7,815.5	8,348.2			

Notes:

1. Sum of Measured and Indicated tons and pounds may not add to the reported total due to rounding.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Based on grade cutoff of 0.02 percent eU₃O₈ and a grade x thickness cutoff of 0.3 GT.
4. Typical ISR-industry practice is to apply a GT cutoff in the range of 0.3 which has generally been determined to be an economical cutoff value. A 0.3 GT cutoff was used in this report without direct relation to an associated price.
5. Measured, Indicated, and Inferred Mineral Resources as defined in NI 43-101, Section 1.2 (CIM Definition Standards).

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

A majority of the new resources for the LC East Project are located in close proximity to the proposed Lost Creek plant site and are contained within the HJ and KM Horizons below the water table at depths ranging from 200 to 500 feet (61 to 152 meters). Additionally, resources were also identified in the FG, L and M Horizons. Numerous identified roll fronts with ore grade mineralization have relatively low drilling densities associated with them and merit additional exploration. Also, most of the historic drilling in this region targeted shallow uranium mineral trends with the intention to conduct open pit mining. The deeper L, M and N Horizons at Lost Creek and the recently acquired properties have sparse drilling and are presently inadequately tested for their potential as in situ recovery (ISR) candidates. The Lost Creek Property resources are classic roll-front type deposits in which the uranium is introduced via groundwater flow and precipitated at chemical oxidation/reduction (redox) boundaries after the host rock deposition.

Based upon the updated mineral resource and economic analyses (of the MMT and EMT only), the Lost Creek Property now is estimated to generate net earnings over the life of the mine, before income tax, of US\$283.0 million. Payback is estimated during the third quarter of the third year of operations (two years from start of construction). It is estimated that Lost Creek has an IRR of 87% and a NPV of US\$181.0 million applying an eight percent discount rate. The estimated cost of uranium produced is US\$36.52 per pound including all costs, with an estimated operation cost of US\$16.12 per pound.

The April 2012 PEA includes recommendations for the Property in three general categories: production, delineation and exploration. In addition to advancing Lost Creek to production following completion of the permitting process, it is then recommended that revenues generated from production should be used to fund additional delineation and exploration drilling including further delineation of the resources within the MMT and EMT to bring them into the Measured and Indicated Categories (greater detail provided in the April 2012 PEA). As well, the report recommends the resources within LC East be investigated further by limited confirmation drilling to solidify confidence in the historic mineral intercept database and that baseline studies should be initiated in anticipation of permitting the EMT. Exploration is recommended for several areas of the Property.

Cautionary statement pursuant to NI 43-101: this Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. The estimated mineral recovery used in this Preliminary Economic Assessment is based on site-specific laboratory recovery data as well as Ur-Energy personnel and industry experience at similar facilities. There can be no assurance that recovery at this level will be achieved.

The April 2012 PEA is filed on the Company's profile on www.sedar.com and on <http://www.sec.gov/edgar.shtml>.

Lost Creek Regulatory

Ur-Energy continues to focus on the regulatory process necessary to obtain the single remaining required authorization prior to commencement of construction of the Lost Creek facility. The required authorizations include permits, licenses, and/or exemptions from the NRC, the Wyoming Department of Environmental Quality ("WDEQ"), the BLM and the U.S. Environmental Protection Agency ("EPA"). At this time, all of the licenses and permits necessary to begin construction and operations have been issued except for the BLM approval of the Lost Creek Plan of Operations.

The BLM is conducting the required environmental review process before issuing a Record of Decision for the Lost Creek Project, and is nearing completion of the process following the close of public comments related to a draft environmental impact statement ("EIS") in June. The projected completion date for the Lost Creek Project final EIS, and issuance of a Record of Decision by the BLM, is anticipated later in the summer of 2012.

During 2011, the NRC issued the Source and Byproduct Materials License ("NRC License") for the Lost Creek Project. The Company subsequently has submitted its application for an NRC License amendment to include the yellowcake drying and packaging circuit of the Lost Creek plant. The Company also anticipates submitting an application for an amendment to the NRC License to allow for mineral recovery from the KM horizon which is immediately below the approved HJ horizon.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

The WDEQ Permit to Mine for Lost Creek ("WDEQ Permit") also was issued in 2011. The WDEQ Permit includes the approval of the first mine unit, as well as the Wildlife Management Plan, including a positive determination of the protective measures at the project for the greater sage grouse species.

The EPA issued an aquifer exemption for the Lost Creek project. The WDEQ's separate approval of the aquifer reclassification is a part of the WDEQ Permit. The Company has received approval from the EPA and the Wyoming State Engineer's Office for the construction and operation of two holding ponds at Lost Creek.

Other permits and authorizations previously received by the Company for the Lost Creek ISR project include: WDEQ-Air Quality Division Air Quality Permit (January 2010) and WDEQ-Water Quality Division Class I Underground Injection Control Permit (May 2010). The latter permit allows Lost Creek to drill, complete and operate up to five Class I injection wells to meet the anticipated disposal requirements for the life of the Lost Creek project.

Lost Creek Project Development – Drilling, Planning, Procurement and Marketing

In addition to the historic drill data it owns with regard to the Lost Creek Project (approximately 563 holes), the Company has drilled 1,181 drill holes totalling approximately 789,141 feet (240,590 meters) at the Lost Creek Project. A part of this drilling has been the completion of necessary delineation drilling for the planning of the first and second mine units.

Design work for the initial mine units and plant facilities has been completed, a construction contractor chosen and procurement of long lead-time equipment initiated. Additional items requiring lead-time are currently being procured in anticipation of the receipt of the BLM authorization and the projected commencement of construction at Lost Creek.

The Company has secured four uranium sales agreements related to production from Lost Creek. These long-term contracts call for deliveries over multi-year periods at defined prices.

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

NCA Nuclear, Inc., a subsidiary of Bayswater Uranium Corporation, has resigned its position as a member and the manager of Ur-Energy's Hauber Project and will not achieve its earn-in to ownership. As of July 25, 2012, the Company is again managing the project and, as the sole owner, is responsible for all related expenses.

In March 2011, the Company declined to fund its portion of The Bootheel Project, LLC budget for the venture's budget year ending March 31, 2012. As a result, at March 31, 2012 the Company's interest was reduced to 19.1%. The Project's 2012-2013 program and budget will be reviewed by the management committee at its next meeting scheduled in early August. Currently, the Company anticipates participating financially in the program and budget.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Three and Six Months Ended June 30, 2012 Compared to Three and Six Months Ended June 30, 2011

The following table summarizes the results of operations for the three months ended June 30, 2012 and 2011.

	Three months ended June 30,	
	2012	2011
	\$	\$
Revenue	Nil	Nil
Exploration and evaluation expense	(838,468)	(1,130,659)
Development expense	(672,452)	(700,935)
General and administrative expense	(1,487,515)	(2,862,777)
Net loss from operations	(2,998,435)	(4,694,371)
Interest income	91,637	65,597
Loss from equity investment	(2,327)	(6,629)
Foreign exchange gain (loss)	380,428	98,947
Other income (loss)	(11,625)	(9,913)
Loss before income taxes	(2,540,322)	(4,546,369)
Income tax expense	Nil	Nil
Net loss for the period	(2,540,322)	(4,546,369)
Loss per share – basic and diluted	(0.02)	(0.05)

The following table summarizes the results of operations for the six months ended June 30, 2012 and 2011.

	Six months ended June 30,	
	2012	2011
	\$	\$
Revenue	Nil	Nil
Exploration and evaluation expense	(1,651,846)	(2,291,986)
Development expense	(1,039,108)	(1,455,387)
General and administrative expense	(3,324,324)	(4,768,905)
Net loss from operations	(6,015,278)	(8,516,278)
Interest income	155,160	136,803
Loss from equity investment	(34,151)	(26,725)
Foreign exchange gain (loss)	(4,830)	(685,250)
Other income (loss)	964,320	(61,293)
Loss before income taxes	(4,934,779)	(9,152,743)
Income tax expense	Nil	Nil
Net loss for the period	(4,934,779)	(9,152,743)
Loss per share – basic and diluted	(0.04)	(0.09)

Expenses

Total expenses for the three months and six months ended June 30, 2012 were \$3.0 million and \$6.0 million, respectively, which include G&A expense, exploration and evaluation expense and development expense. These expenses decreased by \$1.7 million and \$2.5 million compared to the respective periods in 2011.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Exploration and evaluation expenses decreased \$0.3 million and \$0.6 million for the three and six month periods ended June 30, 2012, compared to the respective periods in 2011. Payroll and stock based compensation costs both declined by \$0.2 million for the six month period ended June 30, 2012 compared to the comparable period in 2011. In addition, \$0.3 million was incurred on evaluation of a merger and acquisition opportunity during the second quarter of 2011 resulting in decreases in expenses of that amount for both the three and six month periods ended June 30, 2012.

Development expense relates entirely to the Company's Lost Creek Project. Overall expenses decreased less than \$0.1 million and \$0.4 million for the three and six month periods ended June 30, 2012, respectively, compared to the respective periods in 2011. For the six months ended June 30, 2012, permitting and related consulting and legal costs declined by \$0.3 million as the NRC License was issued during 2011 and the costs related to obtaining the original license ceased. The BLM permitting process has been less expensive than the NRC process. Payroll also declined by \$0.1 million.

G&A expense relates to the Company's administration, finance, investor relations, land and legal functions and consists principally of personnel, facility and support costs. Expenses decreased \$1.4 million for both the three and six month periods, respectively. A restructuring of executives and other management and professional positions resulted in severance and related costs of approximately \$1.5 million in the second quarter 2011. This was partially offset by an increase in stock based compensation of \$0.2 million for both the three and six month periods in 2012 compared to 2011.

Other income and expenses

The Company's cash resources are invested with financial institutions in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts. The increase in interest income was driven by higher average cash resources in 2012 as compared to those in 2011 as well as an increase in the average interest rate arising due to market fluctuations.

The net foreign exchange gain for the three months ended June 30, 2012 was primarily due to cash resources held in U.S. dollar accounts, which fluctuate relative to the Canadian dollar. For the three months ended June 30, 2012, the United States dollar strengthened at a greater rate than in 2011. For the six months ended June 30, 2012, the Canadian dollar strengthened at a lesser rate than in 2011 resulting in a smaller loss.

The Company exchanged its database of geologic information in the Southwest Powder River Basin, Wyoming for mineral claims, state leases and related data. The fair value of the property received was \$1.0 million which is reported in other income for the period ended June 30, 2012.

Income taxes

In 2012 and 2011, the Company recorded operating losses in both Canada and the United States. Management has concluded that it is more likely than not that the remaining losses, and prior years' loss carryforwards and other tax assets will not be realized, and therefore the Company has recorded a full valuation allowance against these amounts.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Loss per Common Share

Both basic and diluted loss per common share for the three and six months ended June 30, 2012 were \$0.02 and \$0.04, respectively (2011 – \$0.05 and \$0.09, respectively). The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Liquidity and Capital Resources

As of June 30, 2012, the Company had cash resources, consisting of cash and cash equivalents and short-term investments, of \$35.7 million, an increase of \$12.6 million from the December 31, 2011 balance of \$23.1 million. The Company's cash resources consist of Canadian and U.S. dollar denominated deposit accounts, guaranteed investment certificates, money market funds and certificates of deposit. During the three and six months ended June 30, 2012, the Company used \$2.4 million and \$4.8 million of its cash resources to fund operating activities. During those same respective periods, the Company generated \$1.3 million and \$1.1 million from investing activities (excluding short-term investment transactions) and generated less than \$0.1 million and \$16.3 million through financing activities. The remaining increase of \$0.3 million and decrease of less than \$0.1 million in cash during the three and six month respective periods related to the effects of foreign exchange rate changes on cash resources.

The Company has financed its operations from its inception primarily through the issuance of equity securities and has no source of cash flow from operations. The Company does not expect to generate any cash resources from operations until it is successful in commencing production from its properties. Operating activities used \$2.4 million and \$4.8 million of cash resources during the three and six months ended June 30, 2012, respectively, as compared to \$2.9 million and \$5.7 million for the same periods in 2011. Overall, expenditures were greater in 2011 due to potential mergers and acquisitions as well as the withdrawn financing (\$0.3 million each).

During the three and six months ended June 30, 2012, the Company had a net decrease in restricted cash of \$1.7 million and \$2.2 million, respectively, due to payment of accrued severance from a trust (\$0.5 million) and obtaining surety bond coverage for future reclamation activities which reduced the required restricted cash necessary to support the reclamation obligations. In addition, the Company invested \$0.4 million and \$1.1 million in mineral properties, capital assets and pre-construction, for the three and six month periods ended June 30, 2012, respectively.

During the six months ended June 30, 2012, the Company raised a net of \$16.3 million through a private placement of Company stock.

Financing Transactions

The Company maintains a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the Company's outstanding securities. The Rights Plan is intended to provide the Company's board of directors with adequate time to assess a take-over bid, to consider alternatives to a take-over bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide the Company's shareholders with adequate time to properly assess a take-over bid without undue pressure. The Rights Plan was reconfirmed by shareholders at the Company's annual and special meeting of shareholders on May 10, 2012.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

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

Outstanding Share Data

As of July 26, 2012, the Company had 121,075,431 common shares and 7,578,522 stock options outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guaranteed 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 cash and cash equivalents are composed of:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Cash on deposit at banks	1,552,817	595,982
Money market funds	25,310,304	15,573,497
	<u>26,863,121</u>	<u>16,169,479</u>

The Company's short-term investments are composed of:

	As of June 30, 2012 \$	As of December 31, 2011 \$
Guaranteed investment certificates	4,794,982	4,925,267
Certificates of deposit	4,063,645	2,002,256
	<u>8,858,627</u>	<u>6,927,523</u>

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short-term investments and restricted cash. These assets consist of Canadian dollar and U.S. dollar denominated guaranteed investment certificates, certificates of deposits, money market accounts and demand deposits. They bear interest at annual rates ranging from 0.25% to 1.40% and mature at various dates up to June 28, 2013. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$0.9 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation or the United States Federal Deposit Insurance Corporation. Another \$3.6 million is guaranteed by a Canadian provincial government leaving approximately \$33.3 million at risk at June 30, 2012 should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets to be impaired as of June 30, 2012.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Liquidity risk

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

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

As at June 30, 2012, the Company's financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of \$0.8 million all of which are due within normal trade terms of generally 30 to 60 days.

Market risk

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

Interest rate risk

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

Currency risk

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

At June 30, 2012, the Company had cash and cash equivalents, short-term investments and bonding deposits of approximately US\$13.4 million and had accounts payable and accrued liabilities of US\$0.5 million which were denominated in U.S. dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net U.S. dollar denominated assets and liabilities at June 30, 2012. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in U.S. dollar foreign exchange rate would have a +/- \$1.3 million impact on net loss for the six months ended June 30, 2012. This impact is primarily as a result of the Company having cash and investment balances denominated in U.S. dollars and U.S. dollar denominated trade payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.2 million impact on net loss for the six months ended June 30, 2012. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The Company's average interest rate on invested cash was 0.98% which is less than 100 basis points for the six months ended June 30, 2012. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ materially from that shown above.

Transactions with Related Parties

During the six months ended June 30, 2012 and 2011, the Company did not participate in any material transactions with related parties.

Proposed Transactions

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

Ur-Energy is currently in discussions with several financial sources to secure debt financing for the costs associated with the construction and development of the Lost Creek Project plant and initial well field facilities. Although the Company maintains a well funded treasury, the debt instruments being considered would provide additional flexibility to advance the Pathfinder acquisition and pursue other prospective development and acquisition opportunities.

Critical Accounting Policies and Estimates

Mineral Properties

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

As of June 30, 2012, the current and long term price of uranium was approximately US\$50.75 and US\$61.25, respectively. This is reasonably consistent with prices of US\$52 and US\$61 as of December 31, 2011. Management reviewed the cash flow projections for properties which have NI 43-101 reports published by the Company and verified that the projected cash flows indicate no impairment is required. Management also did not identify any other impairment indicators for any of the Company's mineral properties during the six months ended June 30, 2012.

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Share-Based Compensation

The Company is required to record all equity instruments including warrants, RSUs and stock options at fair value in the financial statements.

Management utilizes the Black-Scholes model to calculate the fair value of the warrants and stock options at the time they are issued. Use of the Black-Scholes model requires management to make estimates regarding the expected volatility of the Company's stock over the future life of the equity instrument, the estimate of the expected life of the equity instrument and the number of options that are expected to be forfeited. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results.

Evaluation of Disclosure Controls and Procedures

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

Management's Report on Internal Control over Financial Reporting

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

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

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the six months ended June 30, 2012 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 and our Annual Report on Form 40-F dated March 2, 2012 which are filed, respectively, on SEDAR at www.sedar.com and the SEC's website at <http://www.sec.gov/edgar.shtml>.

Other Information

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

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

Directors and Officers

Jeffrey T. Klenda, B.A. – Chairman and Executive Director
W. William Boberg, M.Sc., P. Geo. – Director
Thomas Parker, M.Sc., P.E. – Director and Audit Committee Chair
James M. Franklin, PhD, FRSC, P. Geo. – Director and Technical Committee Chair
Paul Macdonell, Diploma Public Admin. – Director, Compensation Committee Chair and Corporate Governance and Nominating Committee Chair
Wayne W. Heili, B.Sc. – President, Chief Executive Officer and Director
Roger L. Smith, CPA, MBA – Chief Financial Officer and Chief Administrative Officer
Steven M. Hatten, B.Sc. – Vice President Operations
John W. Cash, M.Sc. – Vice President of Regulatory Affairs, Exploration & Geology
Penne A. Goplerud, J.D. – General Counsel and Corporate Secretary

Corporate Offices

Corporate Headquarters:
10758 West Centennial Road, Suite 200
Littleton (Denver), Colorado 80127
Phone: 720- 981-4588

Wyoming Operations Office:
5880 Enterprise Drive, Suite 200
Casper, Wyoming 82609
Phone: 307- 265-2373

Registered Canadian Office:
55 Metcalfe Street, Suite 1300
Attn: Virginia K. Schweitzer
Ottawa, Ontario K1P 6L5
Phone: 613-236-3882

Website
www.ur-energy.com

Trading Symbols
TSX: URE
NYSE MKT: URG

Independent Auditors
PricewaterhouseCoopers LLP, Vancouver

Corporate Legal Counsel
Fasken Martineau DuMoulin LLP, Ottawa

Corporate Banker
Royal Bank of Canada, Ottawa

Transfer Agent
Computershare Investor Services Inc., Toronto

Ur-Energy Inc.
(an Exploration Stage Company)
Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2012

(Information as at July 26, 2012 unless otherwise noted)

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

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Roger Smith, Chief Financial Officer of Ur-Energy Inc., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Ur-Energy Inc. (the “issuer”) for the interim period ended June 30, 2012.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, 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. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, 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.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is similar to that of the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- 5.2 N/A
- 5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2012 and ended on June 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: July 27, 2012

/s/ Roger Smith

Roger Smith
Chief Financial Officer

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Wayne W. Heili, Chief Executive Officer of Ur-Energy Inc., certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the “interim filings”) of Ur-Energy Inc. (the “issuer”) for the interim period ended June 30, 2012.
2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, 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. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. **Responsibility:** The issuer’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*, for the issuer.
5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer’s other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, 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.
- 5.1 **Control framework:** The control framework the issuer’s other certifying officer(s) and I used to design the issuer’s ICFR is similar to that of the *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- 5.2 N/A
- 5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2012 and ended on June 30, 2012 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: July 27, 2012

/s/ Wayne W. Heili

Wayne W. Heili

Chief Executive Officer