

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 2013**

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):

\_\_\_\_\_

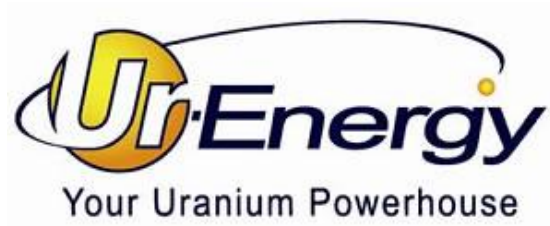
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

\_\_\_\_\_

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

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**FURNISHED HEREWITH**

Exhibit

- 99.1 Unaudited Consolidated Financial Statements for the three and six month periods ended June 30, 2013
  - 99.2 Management's Discussion and Analysis for the three and six month periods ended June 30, 2013
  - 99.3 CFO – Certification of Interim Filings
  - 99.4 CEO – Certification of Interim Filings
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**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 30, 2013

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

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

**Unaudited Interim Consolidated Financial Statements**

**June 30, 2013**

(expressed in Canadian dollars)

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

(expressed in Canadian dollars)

	June 30, 2013	December 31, 2012
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	12,424,213	11,500,275
Short-term investments (note 4)	10,789	6,440,379
Amounts receivable	43,181	16,489
Current deferred financing costs	1,534,991	-
Prepaid expenses	442,507	196,442
	<u>14,455,681</u>	<u>18,153,585</u>
<b>Restricted cash (note 5)</b>	5,321,388	2,047,816
<b>Mineral properties (note 6)</b>	30,209,027	33,397,645
<b>Capital assets (note 7)</b>	48,037,903	16,193,033
<b>Equity investment (note 8)</b>	1,185,347	2,623,553
<b>Deposits (note 9)</b>	1,394,695	1,326,208
<b>Deferred financing costs (note 11)</b>	2,241,114	-
	<u>88,389,474</u>	<u>55,588,255</u>
	<u>102,845,155</u>	<u>73,741,840</u>
<b>Liabilities and shareholders' equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 10)	9,672,066	2,480,741
Current portion of notes payable (note 11)	5,385,361	113,454
	<u>15,057,427</u>	<u>2,594,195</u>
<b>Notes payable (note 11)</b>	15,949,435	210,503
<b>Deferred revenue (note 12)</b>	5,412,995	-
<b>Asset retirement and reclamation obligations (note 13)</b>	2,846,231	1,029,797
	<u>39,266,088</u>	<u>3,834,495</u>
<b>Commitments (note 16)</b>		
<b>Shareholders' equity (note 14)</b>		
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: 122,368,806 at June 30, 2013 and 121,134,276 at December 31, 2012		
	178,345,610	177,138,617
Warrants	2,181,916	61,946
Contributed surplus	15,319,895	15,095,940
Accumulated other comprehensive loss	(2,868,081)	-
Deficit	(129,400,273)	(122,389,158)
	<u>63,579,067</u>	<u>69,907,345</u>
	<u>102,845,155</u>	<u>73,741,840</u>

**Going concern (note 2)**

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

Approved by the Board of Directors

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

(signed) /s/ Thomas Parker, Director

**Ur-Energy Inc.**

(an Exploration Stage Company)

**Unaudited Interim Consolidated Statements of Operations and Comprehensive Loss**

(expressed in Canadian dollars except for share data)

	Three Months Ended June 30, 2013 \$	Three Months Ended June 30, 2012 \$	Six Months Ended June 30, 2013 \$	Six Months Ended June 30, 2012 \$	March 22, 2004 Through June 30, 2013 \$
<b>Expenses</b>					
Exploration and evaluation	606,869	838,468	1,205,806	1,651,846	59,002,351
Development	673,029	672,452	1,631,576	1,039,108	30,891,601
General and administrative	1,390,950	1,487,515	2,926,219	3,324,324	48,768,864
Write-off of investments	1,000,348	-	1,000,348	-	1,000,348
Write-off of mineral properties	269,804	-	269,804	-	1,073,140
	<u>(3,941,000)</u>	<u>(2,998,435)</u>	<u>(7,033,753)</u>	<u>(6,015,278)</u>	<u>(140,736,304)</u>
Interest income	19,309	91,637	38,017	155,160	9,924,265
Loss on equity investment (note 8)	(1,836)	(2,327)	(2,076)	(34,151)	(424,390)
Foreign exchange gain (loss)	(2,349)	380,428	(2,309)	(4,830)	302,202
Other income (loss)	(5,751)	(11,625)	(10,994)	964,320	1,829,494
<b>Loss before income taxes</b>	<u>(3,931,627)</u>	<u>(2,540,322)</u>	<u>(7,011,115)</u>	<u>(4,934,779)</u>	<u>(129,104,733)</u>
Recovery of future income taxes	-	-	-	-	(295,540)
<b>Net loss and comprehensive loss for the period</b>	<u><u>(3,931,627)</u></u>	<u><u>(2,540,322)</u></u>	<u><u>(7,011,115)</u></u>	<u><u>(4,934,779)</u></u>	<u><u>(129,400,273)</u></u>
<b>Loss per common share:</b>					
Basic and diluted	(0.03)	(0.02)	(0.06)	(0.04)	
<b>Weighted average number of common shares outstanding:</b>					
Basic and diluted	122,083,092	121,073,896	121,685,294	115,911,195	
<b>COMPREHENSIVE LOSS</b>					
Net loss	(3,931,627)	(2,540,322)	(7,011,115)	(4,934,779)	(129,400,273)
Translation adjustment as of date of adoption of US\$ as functional currency	-	-	-	-	(5,961,291)
Translation adjustment for foreign operations	2,026,209	-	3,093,210	-	3,093,210
<b>Comprehensive loss for the period</b>	<u><u>(1,905,418)</u></u>	<u><u>(2,540,322)</u></u>	<u><u>(3,917,905)</u></u>	<u><u>(4,934,779)</u></u>	<u><u>(132,268,354)</u></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 Shareholders' Equity**

(expressed in Canadian dollars except for share data)

	<u>Capital Stock</u>		<u>Warrants</u>	<u>Contributed</u>	<u>Accumulated</u>	<u>Other</u>	<u>Deficit</u>	<u>Shareholders'</u>
	<u>Shares</u>	<u>Amount</u>						
	<u>#</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
<b>Balance, December 31, 2012</b>	121,134,276	177,138,617	61,946	15,095,940	-	(122,389,158)	69,907,345	
Adjustment to beginning balances due to change in functional currency	-	-	-	-	(5,961,291)	-	(5,961,291)	
Redemption of vested RSUs	234,530	426,993	-	(465,659)	-	-	(38,666)	
Issuance of warrants	-	-	2,119,970	-	-	-	2,119,970	
Common shares issued for royalty interest	1,000,000	780,000.00	-	-	-	-	780,000	
Non-cash stock compensation	-	-	-	689,614	-	-	689,614	
Net loss and comprehensive loss	-	-	-	-	3,093,210	(7,011,115)	(3,917,905)	
<b>Balance, June 30, 2013</b>	<u>122,368,806</u>	<u>178,345,610</u>	<u>2,181,916</u>	<u>15,319,895</u>	<u>(2,868,081)</u>	<u>(129,400,273)</u>	<u>63,579,067</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 Shareholders' Equity**

(expressed in Canadian dollars except for share data)

	Three Months Ended June 30, 2013 \$	Three Months Ended June 30, 2012 \$	Six Months Ended June 30, 2013 \$	Six Months Ended June 30, 2012 \$	March 22, 2004 Through June 30, 2013 \$
<b>Cash provided by (used in)</b>					
<b>Operating activities</b>					
Net loss for the period	(3,931,627)	(2,540,322)	(7,011,115)	(4,934,779)	(129,400,273)
Items not affecting cash:					
Stock based compensation	323,000	673,654	689,614	1,385,351	21,983,212
Depreciation of capital assets	(24,304)	106,146	54,739	214,068	2,723,323
Provision for reclamation	-	-	-	-	1,447,049
Write-off of investments	1,000,348	-	1,000,348	-	1,000,348
Write-off of mineral properties	269,804	-	269,804	-	1,073,140
Loss on equity investment	1,836	-	2,076	31,831	371,484
Foreign exchange loss (gain)	40	(380,547)	-	4,573	(312,241)
Loss (gain) on disposition of assets	11	-	1,420	(970,320)	(2,035,732)
Non-cash exploration costs	-	-	-	-	2,726,280
Other loss (income)	2,625	11,625	3,000	6,000	29,873
RSUs redeemed for cash	(301)	-	(39,207)	(18,868)	(58,075)
Proceeds from assignment of sales contract	-	-	5,183,640	-	5,183,640
Change in non-cash working capital items:					
Amounts receivable	(14,063)	14,075	(25,397)	5,196	(30,974)
Prepaid expenses	170,549	(252,619)	(67,820)	(223,354)	(272,779)
Accounts payable and accrued liabilities	(77,068)	(32,975)	(301,378)	(302,405)	527,532
	<u>(2,279,150)</u>	<u>(2,400,963)</u>	<u>(240,276)</u>	<u>(4,802,707)</u>	<u>(95,044,193)</u>
<b>Investing activities</b>					
Mineral property costs	-	(8,960)	-	(253,810)	(14,205,897)
Purchase of short-term investments	25,688	(6,784,967)	-	(8,322,706)	(200,971,371)
Sale of short-term investments	3,283,811	3,836,118	6,430,161	6,422,379	202,411,591
Decrease (increase) in restricted cash	(23,410)	1,730,209	(3,048,706)	2,244,413	(5,368,521)
Deposit for Pathfinder acquisition	-	-	-	-	(1,333,021)
Funding of equity investment	(2,183)	-	(2,532)	(1,734)	(59,034)
Payments to/from venture partner	-	-	-	-	146,806
Proceeds from sale of property and equipment	-	-	-	-	1,127,318
Purchase of capital assets	(11,881,120)	(416,064)	(21,472,389)	(864,589)	(38,890,916)
	<u>(8,597,214)</u>	<u>(1,643,664)</u>	<u>(18,093,466)</u>	<u>(776,047)</u>	<u>(57,143,045)</u>
<b>Financing activities</b>					
Issuance of common shares and warrants for cash	-	-	-	17,250,000	144,306,538
Share issue costs	-	(54,282)	-	(980,458)	(3,854,332)
Proceeds from exercise of warrants and stock options					
	-	10,950	-	26,460	25,521,400
Proceeds from debt financing	26,051,700	-	26,051,700	-	26,051,700
Cost of debt financing	(1,540,994)	-	(1,540,994)	-	(1,540,994)
Repayment of debt	(5,279,966)	-	(5,308,190)	-	(22,900,782)
	<u>19,230,740</u>	<u>(43,332)</u>	<u>19,202,516</u>	<u>16,296,002</u>	<u>167,583,530</u>
<b>Effects of foreign exchange rate changes on cash</b>					
	56,014	265,042	55,164	(23,606)	(2,972,079)
<b>Net change in cash and cash equivalents</b>	8,410,390	(3,822,917)	923,938	10,693,642	12,424,213
<b>Beginning cash and cash equivalents</b>	4,013,823	30,686,038	11,500,275	16,169,479	-
<b>Ending cash and cash equivalents</b>	<u>12,424,213</u>	<u>26,863,121</u>	<u>12,424,213</u>	<u>26,863,121</u>	<u>12,424,213</u>
Capitalized construction period interest	322,794	-	322,794	-	322,794
<b>Non-cash financing and investing activities:</b>					
Common shares issued for properties	1,000,000	-	1,000,000	-	3,230,250
Mineral property acquired in asset exchange	-	-	-	970,320	970,320





**Ur-Energy Inc.**  
(an Exploration Stage Company)  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**June 30, 2013**

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(expressed in Canadian dollars)

**1. Nature of operations**

Ur-Energy Inc. (the "Company") 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. 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 Wyoming 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. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economic 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. Going Concern**

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, which assumes the Company will be able to meet the mandatory Loan Facility payments beginning March 31, 2014 (note 11). As at June 30, 2013, the Company has a working capital deficiency of \$0.6 million. The working capital deficiency results primarily from the Company's principal payments of US\$5.0 million due under the Senior Secured Loan Facility (the "Loan Facility") (note 11) that are classified as a current liability as their contractual repayment terms are due in less than one year.

As a part of the Company's plan to finance its construction, operations and acquisitions the Company is most actively pursuing funding, estimated at up to US\$34 million, through the State of Wyoming's Industrial Development Bond financing program. The Company is currently working with the State and Sweetwater County to advance documents for the closing of the loan facility. In addition, the Company is in negotiations with RMB Australia Holdings Limited ("RMBAH") to expand the recently obtained US\$20 million Loan Facility and continues to explore other financing opportunities. There can be no assurance that the Company will be able to finalize and close any of these financial arrangements at the terms currently specified, or at all. The uncertainty of being able to close these financial arrangements casts substantial doubt as to the Company's ability to continue as a going concern. If the Company is unable to finalize and close any of these financial arrangements, it would be required to obtain additional sources of financing (debt or equity) on a timely basis, and it may become necessary to defer certain expenditures to preserve working capital. A delay in funding may also impact the Company's ability to complete the Pathfinder acquisition (note 9).

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

**3. Summary of Significant Accounting Policies**

**Basis of presentation**

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 and NFUR Hauber, LLC. 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, 2012.

**Ur-Energy Inc.**  
(an Exploration Stage Company)  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**June 30, 2013**

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(expressed in Canadian dollars)

**Functional Currency**

The Company changed its functional currency prospectively, beginning January 1, 2013, from the Canadian dollar to the U.S. dollar with respect to its operations in the United States. The change in functional currency had a significant impact on the Company's consolidated financial statements as most of the non-current assets of the Company are situated in the United States and were previously accounted for using the Canadian dollar as the functional currency. As a result, these items had been carried in the consolidated financial statements based on the average exchange rate in place at the time the assets were purchased. As a result of this change, these assets will now be included in the financial statements using the spot rate at the end of the period.

Translation adjustments will result from the process of translating the financial statements into Canadian dollars for reporting. These adjustments will not be included in determining net income, but will be reported separately and accumulated in other comprehensive income. As of January 1, 2013, the Company recorded a cumulative transaction adjustment ("CTA") of approximately C\$6.0 million, which is shown in the consolidated statement of shareholders' equity.

The functional currency for Canadian operations as well as the reporting currency will remain the Canadian dollar.

**4. Cash and cash equivalents and short-term investments**

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

	As of June 30, 2013 \$	As of December 31, 2012 \$
Cash on deposit at banks	1,315,483	261,209
Money market funds	11,108,730	11,239,066
	<u>12,424,213</u>	<u>11,500,275</u>

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

	As of June 30, 2013 \$	As of December 31, 2012 \$
Guaranteed investment certificates	-	6,430,161
Certificates of deposit	10,789	10,218
	<u>10,789</u>	<u>6,440,379</u>

Cash and cash equivalents and short-term investments bear interest at annual rates ranging from 0.18% to 0.75% and mature at various dates up to February 5, 2014. The instruments with initial maturity over ninety days have been classified as short-term investments.

**5. Restricted cash**

The Company's restricted cash consists of the following:

	As of June 30, 2013 \$	As of December 31, 2012 \$
Money market account (a)	5,203,765	1,936,454
Certificates of deposit (a,b)	117,623	111,362
	<u>5,321,388</u>	<u>2,047,816</u>

**Ur-Energy Inc.**  
(an Exploration Stage Company)  
**Notes to Unaudited Interim Consolidated Financial Statements**  
**June 30, 2013**

(expressed in Canadian dollars)

(a) 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 US\$9,887,450 of coverage towards specific reclamation obligations are collateralized by US\$4,943,725 of the restricted cash at June 30, 2013.

(b) A certificate of deposit (\$105,260) provides security for the Company's credit cards.

**6. Mineral properties**

The Company's mineral properties consist of the following:

	USA		Canada	Total
	Lost Creek Property \$	Other US Properties \$	Canadian Properties \$	\$
<b>Balance, December 31, 2012</b>	15,456,790	17,417,188	523,667	33,397,645
Property acquired for common stock	802,804	-	-	802,804
Mineral property written off	-	(269,804)	-	(269,804)
Exchange rate adjustment (see note 3)	(1,708,586)	(2,013,032)	-	(3,721,618)
<b>Balance, June 30, 2013</b>	<u>14,551,008</u>	<u>15,134,352</u>	<u>523,667</u>	<u>30,209,027</u>

As a result of the change in functional currency, a CTA as of the date of conversion reduced the reported cost of the S/B <2,013,032> U.S. mineral properties by C\$5,259,161. The above adjustment reflects both the initial adjustment and the adjustment as of period end.

**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 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.

In April 2013, the Company executed a royalty purchase agreement with the royalty holder who owned the only private royalty reserved on the Lost Creek Project. The 1.67% royalty had existed with respect to future production of uranium on 20 mining claims at the Lost Creek Project. The Company issued one million common shares of the Company with a fair value of US\$762,867 in full consideration of the conveyance and termination of the royalty interest. 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 June, the Company decided to abandon the South Granite Mountain project by not paying the claim fees due later in 2013. The cost of that project of \$269,804 was therefore written off.

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

(expressed in Canadian dollars)

**7. Capital assets**

The Company's capital assets consist of the following:

	As of June 30, 2013			As of December 31, 2012		
	Cost \$	Accumulated Depreciation \$	Net Book Value \$	Cost \$	Accumulated Depreciation \$	Net Book Value \$
Rolling stock	3,779,475	2,190,671	1,588,804	3,391,524	1,816,212	1,575,312
Buildings and enclosures	51,780	2,719	49,061	-	-	-
Machinery and equipment	435,288	326,808	108,480	418,143	338,594	79,549
Furniture, fixtures and leasehold improvements	77,005	57,383	19,622	81,516	54,929	26,587
Information technology	725,146	484,913	240,233	715,828	510,492	205,336
Construction in progress	46,031,703	-	46,031,703	14,306,249	-	14,306,249
	<u>51,100,397</u>	<u>3,062,494</u>	<u>48,037,903</u>	<u>18,913,260</u>	<u>2,720,227</u>	<u>16,193,033</u>

In October 2012, the Company received the Record of Decision from the Bureau of Land Management which was the final approval required to begin construction at the Lost Creek project. Construction began thereafter on the permitted wellfields, additional disposal wells and main plant site including grading, road construction, power lines and fencing. Construction in progress includes all the expenditures incurred prior to receiving the final approval related to plant design and engineering, off-site header house construction and payments on long lead time equipment as well as costs incurred.

As a result of the change in functional currency, a CTA reduced the reported cost of capital assets as of the date of conversion by C\$303,379 and the related accumulated depreciation by C\$136,570.

**8. 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 has been accounted for using the equity accounting method with the Company's proportionate share of the Project's loss included in the Statement of Operations since the date of earn-in and the Company's net investment is reflected on the Balance Sheet. Under the terms of the agreement, the Company elected not to participate financially for the year ended March 31, 2012 which reduced the Company's ownership percentage to 19.115%. The equity accounting method has been continued because of the Company's ability to directly influence the budget process and therefore the operations of the Project. The Company resumed participation financially for the year ended March 31, 2013.

As a result of the change in functional currency, a CTA as of the date of conversion reduced the reported cost of the equity investment by C\$535,084.

In February 2013, a mineral lease at the Bootheel property expired and was not renewed by the landholder. The Company had no cost base in the lease and is therefore not reflecting a loss on the non-renewal. As a result of the expiration, a portion of the mineral resources which were previously reported by an NI 43-101 Technical Report by Crosshair is no longer controlled by the venture. At the June venture management meeting, it was decided that the expired private lease will not be further pursued and a portion of the claims held on the Bootheel property, but determined not to contain economic mineralization would be abandoned. Additionally, it was decided that all of the mining claims at the Buck Point property, none of which contain economic mineralization will be abandoned. Mining claims at the Bootheel property on which mineral resources were reported will be maintained. As a result of these actions, the Company has written off the cost (US\$969,329) of the Buck Point property originally contributed to the venture. In addition, the Company has performed an impairment analysis on its remaining investment in the venture using its interest in the portion of the remaining estimated mineral resources and determined that the fair value of the remaining minerals is sufficient to not warrant an impairment of the cost at this time. The remaining state leases and claims are being held by the venture. The Company will continue to consider further impairment analysis as warranted.

**Ur-Energy Inc.**  
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(expressed in Canadian dollars)

**9. Deposits**

On July 24, 2012, the Company 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 and the assumption of the existing reclamation liabilities at the Shirley Basin site. The initial payment of US\$1,325,000 was made upon execution of the SPA and is included in deposits. It will be held in an AREVA interest bearing account which bears interest at the minimum of their current rate or the 1 year LIBOR rate plus one percent pending the receipt of required governmental approvals including the approval of the Nuclear Regulatory Commission (“NRC”) for the change of controls of Pathfinder licenses, and the satisfaction of other closing conditions. Interest earned on the escrow payment will be credited to the Company against the Closing Purchase Price at the Closing. The deposit is refundable if the required governmental approvals are not received in a timely basis, if AREVA breaches the agreement or the transaction cannot be completed due to circumstances outside the control or responsibility of the Company. Should all closing conditions of the SPA be met but the Company elects not to proceed with the acquisition, the deposit will be forfeited.

The NRC has approved the transfer of the licenses and the Company and AREVA are working on obtaining the additional governmental approvals and satisfying other closing conditions to complete the transaction as described above.

**10. 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 - Capital assets	7,442,557	1,479,419
Retainage on construction contract	1,202,684	309,761
Accounts payable	633,130	420,410
Vacation pay payable	295,246	214,084
Payroll and other taxes	98,449	57,067
	<u>9,672,066</u>	<u>2,480,741</u>

**11. Notes Payable**

On May 13, 2013, the Company entered into a bridge loan agreement (the "Bridge Loan") with RMBAH. The Bridge Loan was in the amount of US\$5.0 million and was funded on May 14, 2013. The Bridge Loan was intended to provide for interim working capital for Lost Creek project development prior to receiving funds to be provided by either the State of Wyoming or the RMBAH Loan Facility discussed below. The Bridge Loan provided for interest at 7.5% per annum in addition to a 4% origination fee all of which was capitalized as construction period interest. The Company was required to repay the Bridge Loan upon receipt of funds from any source in an amount exceeding US\$6.0 million or at the maturity date of July 31, 2013. Accordingly, the Bridge Loan was paid with proceeds from the Senior Secured Loan Facility (the “Loan Facility”) described below. The Bridge Loan was collateralized by a general security agreement in favor of the lender.

On June 24, 2013, the Company entered into a US\$20.0 million Loan Facility with RMBAH. The Loan Facility is intended to fund the acquisition and advancement of the Pathfinder assets in Wyoming, and provide other interim Lost Creek development costs pending final approval of the Wyoming State Industrial Development Bond financing. The Loan Facility was fully drawn out as of June 30, 2013.

The Loan Facility carries interest at 7.5% plus the three month LIBOR rate recalculated at the start of each calendar quarter. For the quarter ending September 30, 2013, the rate is approximately 7.77%. In addition, the Company issued 4,294,167 warrants at an exercise price of C\$1.20 per common share and a five-year expiry. Using the Black-Scholes calculations as discussed in note 14, the warrants were calculated to have a value of approximately US\$2.0 million. The Company also paid an arrangement fee of 6% (US\$1.2 million) and legal fees to RMBAH totalling approximately US\$0.2 million. The total effective interest rate on the Loan Facility is 18.2%. All loan fees are being amortized over the life of the loan.

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(expressed in Canadian dollars)

Interest on the Loan Facility is due and payable at the end of each calendar quarter commencing September 30, 2013. The Loan Facility principal is payable at the rate of US\$2.5 million per quarter. The first principal payment will be due March 31, 2014. The loan matures on December 31, 2015. The Loan Facility is collateralized by the assets associated with the Lost Creek property and will be secured by a general security interest and pledge agreement over Pathfinder Mines Corporation when the acquisition closes.

Deferred loan costs consists of the loan fees attributable to the Loan Facility. Current deferred financing costs represent costs which will be included in expense or capitalized construction period interest within the next twelve months. The balance of the deferred financing costs, which will not be included in expense in the next twelve months, is shown as deferred financing costs.

In September 2012, the Company purchased mobile construction equipment pursuant to financing arrangements whereby the equipment manufacturer provided payment terms of three years with no interest. As of June 30, 2013, the aggregate amount outstanding under these arrangements approximated \$0.3 million, net of imputed interest at 4.25%, or an aggregate discount of approximately US\$20,000. The underlying notes are collateralized by the equipment purchased.

## **12. Deferred revenue**

In March 2013, the Company assigned a portion of the contractual delivery obligations under two of its sales contracts to a natural resources trading company in exchange for a cash payment of US\$5.1 million. The remainder of the contractual delivery obligations under the two contracts remain in place as well as certain other performance obligations associated with the contracts. Therefore, the Company will reflect the payment as revenue when the contractual obligations under the contracts are settled.

## **13. Asset retirement and reclamation obligations**

Asset retirement obligations ("ARO") are equal to the present value of all estimated future costs required to remediate any environmental disturbances that exist as of the end of the period, using discount rates applicable at the time of initial recognition of each component of the liability. Included in this liability are the costs of closure, reclamation, demolition and stabilization of the mines, processing plants, infrastructure, aquifer restoration, waste dumps and ongoing post-closure environmental monitoring and maintenance costs. While the majority of these costs will be incurred near the end of the property's life, it is expected that certain on-going reclamation costs will be incurred prior to mine closure. These costs are recorded against the asset retirement obligation liability as incurred. At June 30, 2013, the total undiscounted amount of the estimated future cash needs was estimated to be US\$2.9 million. The rates used to calculate the ARO are 2.8% as a discount rate and 1.93% as an inflation rate. The schedule of payments required to settle the June 30, 2013, ARO liability extends through 2026.

In addition, the Company has recorded a liability of \$79,998 (December 31, 2012 – \$75,764) 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 restricted cash as discussed in note 5 is related to surety bonds and letters of credit which provide security to the related governmental agencies on these obligations.

## **14. Shareholders' equity and capital stock**

### **Issuances**

During the six months ended June 30, 2013, the Company exchanged 234,530 common shares for vested Restricted Share Units ("RSUs").

In April 2013, the Company executed a royalty purchase agreement for the issue of one million common shares of the Company with a fair value of \$788,000 in full consideration of the conveyance and termination of the royalty interest with the royalty holder who owned the only private royalty reserved on the Lost Creek Project.

### **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.

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**June 30, 2013**

(expressed in Canadian dollars)

Activity with respect to stock options is summarized as follows:

	Options #	Weighted- average exercise price \$
<b>Outstanding, December 31, 2012</b>	8,511,722	1.32
Granted	681,327	0.77
Forfeited	(7,057)	0.76
Expired	<u>(680,000)</u>	1.65
<b>Outstanding, June 30, 2013</b>	<u>8,505,992</u>	1.25

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, 2013 were \$0.4 million and \$0.6 million, respectively.

As of June 30, 2013, 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 \$	
1.72	25,000	0.1	-	25,000	0.1	-	August 6, 2013
0.71	437,268	0.6	284,224	437,268	0.6	284,224	February 9, 2014
0.90	813,028	1.2	373,993	813,028	1.2	373,993	September 2, 2014
0.81	554,074	1.7	304,741	554,074	1.7	304,741	March 5, 2015
2.87	1,318,293	2.6	-	1,318,293	2.6	-	January 28, 2016
1.57	645,000	3.0	-	645,000	3.0	-	July 7, 2016
1.17	784,109	3.2	148,981	784,109	3.2	148,981	September 9, 2016
1.16	200,000	3.3	40,000	200,000	3.3	40,000	October 24, 2016
0.91	1,136,368	3.5	511,366	859,302	3.5	386,686	January 12, 2017
1.39	200,000	3.6	-	152,000	3.6	-	February 1, 2017
1.18	100,000	3.7	18,000	76,000	3.7	13,680	March 1, 2017
0.76	1,611,525	4.4	966,915	515,688	4.4	309,413	December 7, 2017
0.77	<u>681,327</u>	4.8	<u>401,983</u>	<u>68,136</u>	4.8	<u>40,200</u>	April 25, 2018
1.25	<u>8,505,992</u>	3.1	<u>3,050,203</u>	<u>6,447,898</u>	2.7	<u>1,901,918</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 \$1.36 as of the last trading day in the period ended June 30, 2013, 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, 2013 was 6,317,699. The total number of in-the-money stock options exercisable as of June 30, 2013 was 4,307,605.



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

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(expressed in Canadian dollars)

**Restricted Share Units**

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.

Activity with respect to RSUs is summarized as follows:

	RSUs #	Weighted Average Grant Date Fair Value \$
<b>Unvested, December 31, 2012</b>	826,425	1.15
Vested	(277,456)	1.85
Forfeited	<u>(1,764)</u>	0.76
<b>Unvested, June 30, 2013</b>	<u>547,205</u>	0.80

As of June 30, 2013, outstanding RSUs are as follows:

Grant Date	Number of Unvested Options	Weighted- average remaining amortization life (years)	Aggregate Intrinsic Value
January 12, 2012	144,309	0.79	196,260
December 7, 2012	<u>402,896</u>	1.69	<u>547,939</u>
	<u>547,205</u>	1.45	<u>744,199</u>

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

**Warrants**

The Company issued 25,000 warrants to purchase stock at \$1.00 per share to its consultant EPOCH Financial Group Inc. on March 5, 2013. As discussed in note 11, the Company issued 4,294,167 warrants to RMBAH in June as a condition of the funding of the Loan Facility.

Activity with respect to warrants is summarized as follows:

	Warrants #	Weighted- average exercise price \$
<b>Outstanding, December 31, 2012</b>	150,000	1.13
Granted	<u>4,319,167</u>	1.20
<b>Outstanding, June 30, 2013</b>	<u>4,469,167</u>	1.20

**Ur-Energy Inc.**  
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(expressed in Canadian dollars)

As of June 30, 2013, outstanding warrants are as follows:

Exercise price \$	Number of warrants	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value \$	Expiry
0.99	50,000	2.7	18,685	September 4, 2015
1.20	100,000	2.8	16,000	November 1, 2015
1.00	25,000	2.7	9,000	March 5, 2016
1.20	<u>4,294,167</u>	5.0	<u>687,067</u>	June 24, 2018
	<u>4,469,167</u>	4.9	<u>730,752</u>	

**Share-Based Compensation Expense**

Stock-based compensation expense was \$0.3 million and \$0.4 million for the three months ended June 30, 2013 and 2012, respectively and \$0.7 million and \$0.7 million for the six months ended June 30, 2013 and 2012, respectively.

As of June 30, 2013, there was approximately \$0.5 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 \$0.3 million under the RSU Plan. The expenses are expected to be recognized over a weighted-average period of 1.0 years and 1.2 years, respectively.

Cash received from stock options exercised during the six months ended June 30, 2012 was less than \$0.1 million. There were no options exercised during the six months ended June 30, 2013.

Total share-based compensation included in capitalized construction cost for the six months ended June 30, 2013 is less than \$0.1 million.

**Fair Value Calculations**

The fair value of options granted during the six months ended June 30, 2013 and 2012 was determined using the Black-Scholes option pricing model with the following assumptions:

	2013	2012
Expected RSU life (years)	-	2.00
Expected warrant life (years)	1.5-2.53	-
Expected option life (years)	3.41	3.29-3.30
Expected volatility	61-66%	73-78%
Risk-free interest rate	1.0-1.3%	1.0-1.3%
Forfeiture rate (options)	4.4%	4.7-4.8%
Expected dividend rate	0%	0%

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.

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(expressed in Canadian dollars)

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

**15. Financial instruments**

The Company's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities, amounts receivable, restricted cash, deposits, accounts payable and notes payable. The Company is exposed to risks related to changes in foreign currency exchange rates, interest rates and management of cash and cash equivalents and short-term investments. See the table in note 4 for the composition of the Company's cash and cash equivalents and short-term investments.

**Credit risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short-term investments, deposits and restricted cash. These assets include 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 0.18% to 1.8% and mature at various dates up to February 5, 2014. 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 leaving approximately \$19.1 million at risk at June 30, 2013 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, 2013.

**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 has financed its operations from its inception primarily through the issuance of equity securities and recently debt financing 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 the Lost Creek Project. Construction and development of the Lost Creek Project commenced in October 2012 after receiving the Record of Decision from the United States Department of the Interior Bureau of Land Management ("BLM").

Additional funding will be required in order to achieve production at Lost Creek and complete the acquisition of the Pathfinder Mines Corporation ("Pathfinder") (note 9). As a result, the Company is currently in negotiations with certain financial sources to secure additional debt financing.

The Company is most actively pursuing funding, estimated at up to US\$34 million, through the State of Wyoming's Industrial Development Bond financing program. The Company is currently working with the State and Sweetwater County to advance documents for the closing of the loan facility.

To address its near-term liquidity requirements, the Company obtained on June 24, 2013, a US\$20.0 million Loan Facility. The Loan Facility was intended to fund the acquisition and advancement of the Pathfinder assets in Wyoming but is being used to finance other interim Lost Creek development costs pending final approval of the Wyoming State Industrial Development Bond financing.

Should the necessary financing not be available to the Company on a timely basis, it may be necessary to defer certain discretionary expenditures to preserve working capital. A delay in funding may also impact the Company's ability to complete the Pathfinder acquisition.

As at June 30, 2013, the Company's financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of \$9.7 million which are due within normal trade terms of generally 30 to 60 days. In addition, the Company has \$5.4 million due within one year as the current portion of notes payable.

**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. As the US\$ is now the functional currency of U.S. operations, the currency risk has been significantly reduced.

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

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(expressed in Canadian dollars)

*Interest rate risk*

Financial instruments that expose the Company to interest rate risk are its cash equivalents, short-term investments, deposits, restricted cash and debt financings. 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 Directors.

*Currency risk*

The Company maintains a balance of less than \$0.1 million in foreign currency resulting in a low currency risk.

*Sensitivity analysis*

The Company has 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 shows that a change of +/- 100 basis points in interest rate would a \$0.1 million impact for the six months ended June 30, 2013. This would impact the cost of construction as all interest on the Loan Facility was capitalized during this period. Subsequent to the construction period, the impact would have been on the net loss of the Company. This impact is primarily as a result of the Company having a loan facility whose interest rate is tied to a published LIBOR rate. 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.

**16. Commitments**

In 2012, the Company entered into two construction contracts with Groathouse Construction, Inc. for the construction of a road through the Lost Creek property and the processing plant at the Lost Creek project. The contracts including change orders are for US\$1.3 million and US\$13.5 million, respectively, of which US\$1.3 million and US\$12.3 million, respectively, had been completed as of June 30, 2013. A total of US\$12.4 million had been billed on both contracts through June 30, 2013 of which US\$9.2 million was paid as of June 30, 2013. The road construction is substantially complete while the plant construction is scheduled to be completed by summer 2013. The remaining amounts to be billed under the contracts as of June 30, 2013 total \$2.4 million.

As discussed in note 9, the Company executed a Share Purchase Agreement ("SPA") to acquire 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 and the assumption of the existing reclamation liabilities at the Shirley Basin site. The initial payment of US\$1,325,000 was made upon execution of the SPA and will be held in escrow pending the receipt of all required governmental approvals. The balance of \$11,925,000 will be due at closing.

The Company has agreed to a Contingency and Development Agreement with Sweetwater County for the improvement of a county road servicing the Lost Creek facility. Following all required final agency approvals, the Company's portion of the cost will be \$166,667 and will be due after the work is completed.

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

**Management's Discussion and Analysis**

June 30, 2013

(expressed in Canadian dollars)

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**Ur-Energy Inc.**

(an Exploration Stage Company)

**Management's Discussion and Analysis****For the Three and Six Months Ended June 30, 2013**

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(Information as at July 25, 2013 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; and NFUR Hauber, LLC. 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 three and six months ended June 30, 2013 and 2012. The Management's Discussion and Analysis ("MD&A") was prepared by Company management and approved by the board of directors on July 25, 2013. This discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2012, 2011, and 2010. 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").

During 2013, the Company is anticipating the start of production and sales in one of its U.S. subsidiaries now that permitting and licensing is complete and the construction at the Lost Creek Project is significantly advanced. As such, the U.S. operations should become self-sustaining. Therefore, effective January 1, 2013, the Company switched to the U.S. dollar from the Canadian dollar as the functional currency of its U.S. entities. The Company is continuing to use the Canadian dollar as its reporting currency.

Ur-Energy has been a "foreign private issuer," as the term is defined in Rule 405 under the Securities Act, and, therefore, has not been required to comply with all the periodic disclosure and current reporting requirements of the Securities Exchange Act of 1934, as amended, and related rules and regulations. Because the Company does not satisfy other requirements for being a foreign private issuer, a majority of its Common Shares must be either directly or indirectly owned of record by non-residents of the U.S. Annually, the Company reviews its geographic share ownership to evaluate its foreign private ownership status. As of June 30, 2013, more than half of the Company's shares are directly or indirectly majority owned by U.S. holders and therefore the Company no longer is qualified as a foreign private issuer. Effective January 1, 2014, the Company will be required to meet disclosure and reporting requirements applicable to U.S. domestic issuers.

**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 Company's timeframe for events leading to and culminating in the commencement of production at Lost Creek (including procurement, construction and commissioning); (ii) the timing and outcome of the challenge to the Bureau of Land Management Record of Decision; (iii) ability and timing of the Company to secure project financing including the state bond process; (iv) the technical and economic viability of Lost Creek (including the projections contained in the preliminary analysis of economics of the Lost Creek Property); (v) the ability to complete the acquisition of Pathfinder Mines Corporation pursuant to the definitive agreement, and the timing for closing of the transaction; (vi) the ability to complete additional favorable uranium sales agreements and the ability to reduce exposure to volatile market conditions; (vii) the production rates and timeline of the Lost Creek Project; (viii) the potential of exploration targets throughout the Lost Creek Property (including the ability to expand resources); and (ix) the long term effects on the uranium market of events in Japan in 2011 including supply and demand projections. 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 pending and 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 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 February 27, 2013, 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>.

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**NI 43-101 Review of Technical Information:** John Cooper, Ur-Energy Project Geologist, P.Geo. and SME Registered Member, and Qualified Person as defined by National Instrument 43-101, and Catherine Bull, Ur-Energy Project Engineer, Wyoming P.E. and SME Registered Member, and Qualified Person as defined by National Instrument 43-101, reviewed and approved the technical information contained in this Management's Discussion and Analysis.

**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>.



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**Nature of Operations and Description of Business**

The Company is an exploration stage junior mining company engaged in the identification, acquisition, 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 has received all necessary licenses and permits for construction which began in October 2012.

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 potential of the Lost Creek Property. The recovery of investments recorded in mineral properties is dependent upon the discovery of economic resources, the ability of the Company to obtain the necessary financing to develop the properties, and the ability to achieve future profitable production from the properties or sufficient proceeds from disposition of the properties.

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**Selected Information**

The following table contains selected financial information as of June 30, 2013 and December 31, 2012.

	As of June 30, 2013 \$	As of December 31, 2012 \$
Total assets	102,845,155	73,741,840
Total liabilities	<u>(39,266,088)</u>	<u>(3,834,495)</u>
Net assets	<u>63,579,067</u>	<u>69,907,345</u>
Capital stock and contributed surplus	195,847,421	192,296,503
Accumulated other comprehensive loss	(2,868,081)	-
Deficit	<u>(129,400,273)</u>	<u>(122,389,158)</u>
Shareholders' equity	<u>63,579,067</u>	<u>69,907,345</u>

The following table contains selected financial information for the three and six months ended June 30, 2013 and 2012 and cumulative information from inception of the Company on March 22, 2004 through June 30, 2013.

	Three Months Ended June 30, 2013 \$	Three Months Ended June 30, 2012 \$	Six Months Ended June 30, 2013 \$	Six Months Ended June 30, 2012 \$	March 22, 2004 Through June 30, 2013 \$
Revenue	Nil	Nil	Nil	Nil	Nil
Total expenses <sup>(1)</sup>	(3,941,000)	(2,998,435)	(7,033,753)	(6,015,278)	(140,736,304)
Interest income	19,309	91,637	38,017	155,160	9,924,265
Loss on equity investment	(1,836)	(2,327)	(2,076)	(34,151)	(424,390)
Foreign exchange gain (loss)	(2,349)	380,428	(2,309)	(4,830)	302,202
Other income (loss)	(5,751)	(11,625)	(10,994)	964,320	1,829,494
Loss before income taxes	<u>(3,931,627)</u>	<u>(2,540,322)</u>	<u>(7,011,115)</u>	<u>(4,934,779)</u>	<u>(129,104,733)</u>
Income tax expense	Nil	Nil	Nil	Nil	(295,540)
Net loss for the period	<u>(3,931,627)</u>	<u>(2,540,322)</u>	<u>(7,011,115)</u>	<u>(4,934,779)</u>	<u>(129,400,273)</u>
Loss per common share:					
Basic and diluted	(0.03)	(0.02)	(0.06)	(0.04)	
Cash dividends per common share	Nil	Nil	Nil	Nil	
(1) Stock based compensation included in total expenses	293,747	673,654	633,320	1,385,351	21,983,212

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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, operating expense and write-off of mineral property costs. Acquisition costs of mineral properties are capitalized.

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

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 2013 \$	Mar.31 2013 \$	Dec. 30 2012 \$	Sep. 30 2012 \$	Jun. 30 2012 \$	Mar. 31 2012 \$	Dec. 31 2011 \$	Sep. 30 2011 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total expenses	(3,941,000)	(3,092,753)	(3,772,669)	(4,093,936)	(2,998,435)	(3,016,843)	(3,446,960)	(4,330,444)
Interest income	19,309	18,708	67,845	85,142	91,637	63,523	48,606	55,187
Loss on equity investment	(1,836)	(240)	(7,578)	(22,357)	(2,327)	(31,824)	(283,918)	(298)
Foreign exchange gain (loss)	(2,349)	40	77,851	(456,457)	380,428	(385,258)	(253,370)	1,122,547
Other income (loss)	(5,751)	(5,243)	(5,092)	(1,774)	(11,625)	975,945	(4,575)	(10,908)
Loss before income taxes	(3,931,627)	(3,079,488)	(3,639,643)	(4,489,382)	(2,540,322)	(2,394,457)	(3,940,217)	(3,163,916)
Income tax expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss for the period	<u>(3,931,627)</u>	<u>(3,079,488)</u>	<u>(3,639,643)</u>	<u>(4,489,382)</u>	<u>(2,540,322)</u>	<u>(2,394,457)</u>	<u>(3,940,217)</u>	<u>(3,163,916)</u>
Loss per common share:								
Basic and diluted	(0.03)	(0.03)	(0.03)	(0.04)	(0.02)	(0.02)	(0.04)	(0.03)

The above table reflects the trend of expenses to be higher in the third and fourth quarters of the year which was based in prior years on the end of greater sage grouse breeding and brooding season in July and the commencement of drilling activities. The current quarter reflects unusually high expenses, but that was due to the write off of two mineral properties (one of which was included in investments) which totaled approximately \$1.3 million. Eliminating those transactions would reflect that the current quarter was in line with previous periods.

The other item of note is the virtual elimination of foreign exchange gains / losses due to the change to US\$ as the functional currency of the U.S. operations. This income statement item has created significant swings in the size of the quarterly loss as the exchange rates have varied positively and negatively. As a result of the diminishment of this line, there is more consistency between periods regarding net losses and loss per share.

Overall Performance and Results of Operations

From inception through June 30, 2013, the Company has raised net cash proceeds of \$166.0 million from the issuance of common shares and warrants and from the exercise of warrants and stock options. The Company has also raised US\$18.6 million net of fees through a Senior Secured Loan Facility ("the Loan Facility"). As at June 30, 2013, the Company held cash and cash equivalents, and short-term investments totaling \$12.4 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.

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The main focus of the Company for the second quarter of 2013 was the advancement of the production facility at Lost Creek including the processing plant, site improvements, disposal wells and wellfields. The Company has increased its staff by 24 new individuals during the quarter, primarily for the operation of the Lost Creek facility. At the end of the period, Groathouse Construction was approximately 90% finished with the construction of the processing facility and the installation of the related vessels and equipment. Two disposal wells have been drilled, completed and tested. Employees of the Nuclear Regulatory Commission ("NRC") were on site during the week of June 24 for a pre-operational inspection required to obtain approval to begin production from the operation. The inspection remains open pending the implementation of certain recommendations arising from the inspection. The project continues to be on schedule for the start of commercial production in third quarter.

The purchase of Pathfinder Mines Corporation ("Pathfinder") from COGEMA Resources, Inc. ("COGEMA"), an AREVA Mining affiliate, is continuing to advance. The Company recently announced that the NRC has approved the change of control transfer of the NRC License for the Shirley Basin mine site owned by Pathfinder to the Company and the change of control transfer to COGEMA of the LuckyMc tailing site, which will remain the obligation of COGEMA as the site is transferred to the U.S. Department of Energy. The Company continues to advance the remaining regulatory and governmental approvals, which are anticipated in the near future. The closing remains subject to other customary closing conditions and is expected later in 2013, pursuant to further agreement of the parties.

**Mineral Properties****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 42,000 acres (17,000 hectares): Lost Creek permit area ("Lost Creek Project"), EN, LC South, LC North, LC East and LC West.

The uranium deposit at the Lost Creek Project is referred to as the Main Mineral Trend ("MMT"). Production from the first mine unit is currently expected in the second half of 2013. The Company's East Mineral Trend (the "EMT") is a second, mineral trend of significance. It was identified by historic drilling on the lands forming LC East. Although geologically similar, it appears to be a separate and independent trend from the MMT.

In April 2013, the Company executed a royalty purchase agreement with the royalty holder who owned the only private royalty reserved on the Lost Creek Project. The 1.67% royalty had existed with respect to future production of uranium on 20 mining claims at the Lost Creek Project. The Company issued one million common shares of the Company with a fair value of US \$762,867 in full consideration of the conveyance and termination of the royalty interest. 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 Project Development and Construction**

Construction activities required to initiate production commenced at Lost Creek in October 2012. Since construction began, the Company has incurred \$48 million to date in construction, equipment purchases and wellfield development costs through June 30, 2013. During the period, construction of the processing plant continued. With the large equipment in place, continuing work during the period included piping, plumbing, electric, HVAC and air supply systems. The build-out of the offices and lab, as well as the shop building are nearing completion. Pipelines and valve stations from Mine Unit 1 to the plant are installed; two header houses for Mine Unit 1 are complete and ready for production; two additional header houses are on site, being prepared for use; and others currently are being fabricated. Two disposal wells have been drilled, completed and tested. As reported previously, subsurface engineering of the two deep water disposal wells is complete. Instrumentation and programming work, which will incorporate all operational, geologic, drilling, and compliance data, is nearing completion. Road construction and fencing around the plant are complete. Sufficient staff has been hired to operate the facilities.

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Initial review of the drill results in the ongoing development and construction drilling reveals the character of the uranium roll fronts to be consistent with historic mapping and analyses, including those from which the April 2012 Lost Creek Property Preliminary Economic Assessment ("April 2012 PEA") was generated. As the Company completes its analyses of these construction drilling results, it anticipates issuing an updated technical report. Based on a generalized review, there has been no material variance to date with the costs contemplated by the economic analysis of the April 2012 PEA.

The Company has secured six uranium sales agreements related to production from Lost Creek spanning 2013 – 2019, including the first of Lost Creek's later term agreements, announced by the Company in early July. These long-term contracts call for deliveries over multi-year periods at defined prices.

*Lost Creek Regulatory and Legal Proceedings*

All of the licenses and permits necessary for construction and operations have been issued for the Lost Creek Project. The NRC issued the Source and Byproduct Materials License ("NRC License") for the Lost Creek Project in 2011. In April 2013, the Company received the NRC License amendment for the yellowcake drying and packaging circuit at the Lost Creek plant.

In November 2012, a Wyoming-based group filed a petition in the U.S. District Court for Wyoming for the review of the Bureau of Land Management's Record of Decision. Following the Court's denial of petitioner's motion for injunctive relief (March 2013), the review on the merits is now proceeding pursuant to the schedule set by the Court.

*The Bootheel Project, LLC*

Crosshair Energy Corporation ("Crosshair") has been the Manager of the Bootheel Project venture since 2007. Since March 31, 2012, the Company's ownership interest has been approximately 19%. In February 2013, the private mineral lease and use agreements for the Bootheel property of the Project expired and efforts to renegotiate an additional term have been unsuccessful. At this time, no further negotiations are anticipated. Certain portions of the minerals included in 2012 Technical Report issued by Crosshair are located on those lands at Bootheel property. The Management Committee of the Bootheel Project has determined to abandon certain unpatented mining claims at the Bootheel property, while retaining mining claims and the State of Wyoming uranium lease on which the remaining reported mineral resource is located. There is no reported mineral resource at the Buck Point property. The Management Committee determined to abandon all unpatented mining claims at Buck Point. As a result, the Company's investment in the Buck Point property (US\$969,329) has been written off. An impairment analysis of the remaining investment at the Bootheel property confirmed that no adjustment is required at this time.

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**Three and Six Months Ended June 30, 2013 Compared to Three and Six Months Ended June 30, 2012**

The following table summarizes the results of operations for the three months ended June 30, 2013 and 2012:

	<b>Three Months Ended June 30,</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
Revenue	Nil	Nil
Exploration and evaluation expense	(606,869)	(838,468)
Development expense	(673,029)	(672,452)
General and administrative	(1,390,950)	(1,487,515)
Write-off of investments	(1,000,348)	Nil
Write-off of mineral properties	(269,804)	Nil
<b>Net loss from operations</b>	<b>(3,941,000)</b>	<b>(2,998,435)</b>
Interest income	19,309	91,637
Loss from equity investment	(1,836)	(2,327)
Foreign exchange gain (loss)	(2,349)	380,428
Other income (loss)	(5,751)	(11,625)
Loss before income taxes	(3,931,627)	(2,540,322)
Income tax expense	Nil	Nil
<b>Net loss for the period</b>	<b>(3,931,627)</b>	<b>(2,540,322)</b>
Loss per share – basic and diluted	(0.03)	(0.02)

The following table summarizes the results of operations for the six months ended June 30, 2013 and 2012:

	<b>Six Months Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
Revenue	Nil	Nil
Exploration and evaluation expense	(1,205,806)	(1,651,846)
Development expense	(1,631,576)	(1,039,108)
General and administrative	(2,926,219)	(3,324,324)
Write-off of investments	(1,000,348)	Nil
Write-off of mineral properties	(269,804)	Nil
<b>Net loss from operations</b>	<b>(7,033,753)</b>	<b>(6,015,278)</b>
Interest income	38,017	155,160
Loss from equity investment	(2,076)	(34,151)
Foreign exchange gain (loss)	(2,309)	(4,830)
Other income (loss)	(10,994)	964,320
Loss before income taxes	(7,011,115)	(4,934,779)
Income tax expense	Nil	Nil
<b>Net loss for the period</b>	<b>(7,011,115)</b>	<b>(4,934,779)</b>
Loss per share – basic and diluted	(0.06)	(0.04)

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Expenses

Total expenses for the three and six months ended June 30, 2013 were \$3.9 million and \$7.0 million, respectively, and include exploration and evaluation expense, development expense and G&A expense. These expenses increased by \$0.9 million and \$1.0 million compared to the respective three and six month periods in 2012.

Exploration and evaluation expense consists of labor and associated costs of the exploration geology department as well as land holding and exploration costs including drilling and analysis on properties which have not reached the permitting or operations stage. These expenses decreased \$0.2 million and \$0.4 million for the three and six months ended June 30, 2013, compared to the same periods in 2012. Payroll and stock based compensation costs declined by \$0.4 million and \$0.6 million for the three and six months ended June 30, 2013 compared to the comparable periods in 2012 due to the transfer of some employees to mine construction on a full time basis and a reduction in stock based compensation costs. This was partially offset by the payment of \$0.2 million for certain annual claim maintenance in June, 2013 which was a month earlier than the fees were paid in 2012.

Development expense relates to expenses incurred at the Company's Lost Creek Project prior to receipt of the final regulatory approval, Lost Creek costs that are not directly attributable to the construction activities and expenses incurred at the LC East project which is considered development because it is more advanced in terms of delineation drilling. Overall expenses remained constant for the three months and increased \$0.6 million for the six months ended June 30, 2013, respectively, compared to 2012. Drilling increased \$0.3 million and \$0.6 million for the three and six month periods, respectively, compared to 2012. Outside services and consulting increased \$0.2 and \$0.4 million during those same periods. The increases were all related to activities at LC East and the KM horizon at Lost Creek, neither of which is permitted.

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 \$0.1 million and \$0.4 million for the three and six months ended June 30, 2013, respectively, compared to 2012. This is primarily due to a decrease in stock based compensation expenses of \$0.3 million and \$0.5 million for the three and six month periods in 2013, respectively compared to 2012. This was partially offset by an increase of \$0.1 million in legal fees for both periods.

Write off of investments increased by \$1.0 million for both the three and six month periods ended June 30, 2013 as the management of the Bootheel venture elected to allow the claims to expire without renewal on the Buck Point property which contained no economic mineralization.

Write off of mineral properties increased by \$0.3 million for both the three and six month periods ended June 30, 2013 as the Company decided to abandon claims at South Granite Mountain.

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 decrease in interest income was driven by lower average cash resources in the six months ended June 30, 2013 as compared to 2012 due to costs associated with the construction of the Lost Creek facility starting in October, 2012.

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Because of the conversion of functional currency to the US\$ for U.S. operations, gains and losses from foreign exchange no longer include the gains and losses associated with translating U.S. balances into Canadian dollars. As a result, these transactions are no longer significant.

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

**Income Taxes**

In the six months ended June 30, 2013 and 2012, 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.

**Loss per Common Share**

Both basic and diluted loss per common share for the three and six months ended June 30, 2013 were \$0.03 and \$0.06, respectively (2012 – \$0.02 and \$0.04, 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, 2013, the Company had cash resources, consisting of cash and cash equivalents and short-term investments, of \$12.4 million, a decrease of \$5.5 million from the December 31, 2012 balance of \$17.9 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. The Company used \$2.9 million and \$0.8 million for operating activities during the three and six months ended June 30, 2013, respectively. During those same periods, the Company used \$12.8 and \$25.4 million for investing activities (excluding short-term investment transactions). The Company generated \$20.2 million from financing activities for both the three and six month periods ended June 30, 2013.

The Company has financed its operations from its inception primarily through the issuance of equity securities and debt financing 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 the Lost Creek Project. Construction and development of the Lost Creek Project commenced in October 2012. Initial production is anticipated in the second half of 2013.

Additional funding will be required in order to achieve production at Lost Creek and complete the acquisition of Pathfinder. As a result, the Company is currently in discussions with certain financial sources to secure further debt financing.

The Company, through its wholly-owned subsidiary Lost Creek ISR, LLC, continues to progress its bond-financing application to be funded through the State of Wyoming's Industrial Development Bond program. The application was approved in September 2012 by the Wyoming Business Council, subject to certain conditions and covenants, and recommended to the Governor, Treasurer and Attorney General. The Governor provided his letter of recommendation to the Treasurer and Attorney General in January 2013, following the completion of the WBC's due diligence. The Company is currently working with the State and Sweetwater County to advance documents for the closing of the loan facility.



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On May 13, 2013, the Company entered into a bridge loan agreement (the "Bridge Loan") with RMB Australia Holdings, LLC ("RMBAH"). The Bridge Loan was in the amount of US\$5.0 million and was funded on May 14, 2013. The Bridge Loan was intended to provide for interim working capital for Lost Creek project development prior to receiving funds to be provided by either the State of Wyoming or the RMBAH Loan Facility discussed below. The Bridge Loan provided for interest at 7.5% per annum in addition to a 4% origination fee all of which was capitalized as construction period interest. The Company was required to repay the Bridge Loan upon receipt of funds from any source in an amount exceeding US\$6.0 million or at the maturity date of July 31, 2013. Accordingly, the Bridge Loan was paid with proceeds from the Senior Secured Loan Facility (the "Loan Facility") described below. The Bridge Loan was collateralized by a general security agreement in favor of the lender.

On June 24, 2013, the Company entered into a US\$20.0 million Loan Facility with RMBAH. The Loan Facility is intended to fund the acquisition and advancement of the Pathfinder assets in Wyoming, and provide other interim Lost Creek development costs pending final approval of the Wyoming State Industrial Development Bond financing. The Loan Facility was fully drawn out as of June 30, 2013.

The Loan Facility carries interest at 7.5% plus the three month LIBOR rate recalculated at the start of each calendar quarter. For the quarter ending September 30, 2013, the rate is approximately 7.77%. In addition, the Company issued 4,294,167 warrants at an exercise price of C\$1.20 per common share and a five-year expiry. Using the Black-Scholes calculations, the warrants were calculated to have a value of approximately US\$2.0 million. The Company also paid an arrangement fee of 6% (US\$1.2 million) and legal fees to RMBAH totalling approximately the US\$0.2 million. The total effective interest rate on the Loan Facility is 18.2%. All loan fees are being amortized over the life of the loan.

Interest on the Loan Facility is due and payable at the end of each calendar quarter commencing September 30, 2013. The Loan Facility principal are payable at the rate of US\$2.5 million per quarter. The first principal payment will be due March 31, 2014. The loan matures on December 31, 2015. The Loan Facility is collateralized by the assets associated with the Lost Creek property and will be secured by a general security interest and pledge agreement over Pathfinder Mines Corporation when the acquisition closes.

Should the necessary financing not be available to the Company on a timely basis, it may be necessary to defer certain discretionary expenditures to preserve working capital. A delay in funding may also impact the Company's ability to complete the Pathfinder acquisition.

Operating activities used \$2.9 million and \$0.8 million during the three and six months ended June 30, 2013, respectively, as compared to using \$2.4 million and \$4.8 million of cash resources for the three and six month period ended June 30, 2012, respectively. The decline was due primarily to the assignment of a portion of two sales contracts which generated US\$5.1 million during the six months ended June 30, 2013 which will be reflected as revenue when the obligations associated with the sales have been satisfied. This is offset by an increase in prepaid expenses of \$0.2 million and \$0.4 million for the three and six month periods due to the premiums on surety bonds used to secure reclamation obligations.

**Ur-Energy Inc.**  
(an Exploration Stage Company)  
**Management's Discussion and Analysis**  
**For the Three and Six Months Ended June 30, 2013**

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(Information as at July 25, 2013 unless otherwise noted)

During the three and six months ended June 30, 2013, the Company invested \$12.0 million and \$21.5 million, respectively in equipment and other costs related to the construction of the Lost Creek plant, wellfield and related disposal wells. In addition, the Company increased its restricted cash by \$3.0 million during the six months due to obtaining additional surety bond coverage for future reclamation activities reflecting the increased disturbance at Lost Creek due to the construction.

During the three and six months ended June 30, 2013, the Company generated \$19.2 million primarily from the Bridge Loan and the Loan Facility discussed above.

**Partial Assignment of Sales Contracts**

In March 2013, the Company assigned a portion of the contractual delivery obligations under two of its sales contracts to a natural resources trading company in exchange for a cash payment of US\$5.1 million. The Company will reflect the payment as revenue when the contractual obligations under the contracts are settled.

**Shareholder Rights Plan**

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.

**Outstanding Share Data**

As of July 25, 2013, the Company had 122,466,648 common shares and 8,408,150 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.

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(Information as at July 25, 2013 unless otherwise noted)

**Financial Instruments and Other Instruments**

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

	<b>As of June 30, 2013 \$</b>	<b>As of December 31, 2012 \$</b>
Cash on deposit at banks	1,315,483	261,209
Money market funds	11,108,730	11,239,066
	<u>12,424,213</u>	<u>11,500,275</u>

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

	<b>As of June 30, 2013 \$</b>	<b>As of December 31, 2012 \$</b>
Guaranteed investment certificates	-	6,430,161
Certificates of deposit	10,789	10,218
	<u>10,789</u>	<u>6,440,379</u>

**Going Concern**

The consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business, which assumes the Company will be able to meet the mandatory Loan Facility payments beginning March 31, 2014. As at June 30, 2013, the Company has a working capital deficiency of \$0.6 million. The working capital deficiency results primarily from the Company's principal payments of US\$5.0 million due under the Loan Facility that are classified as a current liability as their contractual repayment terms are due in less than one year.

As a part of the Company's plan to finance its construction, operations and acquisitions the Company is most actively pursuing funding, estimated at up to US\$34 million, through the State of Wyoming's Industrial Development Bond financing program. The Company is currently working with the State and Sweetwater County to advance documents for the closing of the loan facility. In addition, the Company is in negotiations with RMBAH to expand the recently obtained a US\$20 million Loan Facility and continues to explore other financing opportunities. There can be no assurance that the Company will be able to finalize and close any of these financial arrangements at the terms currently specified, or at all. The uncertainty of being able to close these financial arrangements casts substantial doubt as to the Company's ability to continue as a going concern. If the Company is unable to finalize and close any of these financial arrangements, it would be required to obtain additional sources of financing (debt or equity) on a timely basis, and it may become necessary to defer certain expenditures to preserve working capital. A delay in funding may also impact the Company's ability to complete the Pathfinder acquisition.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

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**Credit risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short-term investments, deposits and restricted cash. These assets include 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 0.18% to 1.8% and mature at various dates up to February 5, 2014. 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 leaving approximately \$19.1 million at risk at June 30, 2013 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, 2013.

**Liquidity risk**

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

As at June 30, 2013, the Company's financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of \$9.7 million which are due within normal trade terms of generally 30 to 60 days. In addition, the Company has \$5.4 million due within one year as the current portion of notes payable. For discussion of liquidity risk see Liquidity and Capital Resources section above.

**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. As the US\$ is now the functional currency of U.S. operations, the currency risk has been significantly reduced.

*Interest rate risk*

Financial instruments that expose the Company to interest rate risk are its cash equivalents, short-term investments, deposits, restricted cash and debt financings. 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 Directors.

*Currency risk*

The Company maintains a balance of less than \$0.4 million in foreign currency resulting in a low currency risk.

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(Information as at July 25, 2013 unless otherwise noted)

*Sensitivity analysis*

The Company has 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 shows that a change of +/- 100 basis points in interest rate would a \$0.1 million impact for the six months ended June 30, 2013. This would impact the cost of construction as interest on the Loan Facility was capitalized during this period. Subsequent to the construction period, the impact would have been on the net loss of the Company. This impact is primarily as a result of the Company having a loan facility whose interest rate is tied to a published LIBOR rate. 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.

**Transactions with Related Parties**

During the six months ended June 30, 2013 and 2012, 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 will consider and review potential merger, acquisition, investment and venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

**Critical Accounting Policies and Estimates**

Mineral Properties

Acquisition costs of mineral properties are capitalized. When production is attained, these costs will be amortized over the estimated productive life of the property.

As of June 30, 2013, the current and long term price of uranium was US\$39.60 and US\$57.00, respectively. This compares to prices of US\$43.38 and US\$56.50 as of December 31, 2012. As our production is not anticipated until the latter portion of 2013, the Company continues to focus its attention on the long-term prices as the current spot price will only partially affect profitability once production is achieved due to the previously mentioned uranium sales agreements which have stated pricing. Other than as discussed earlier, management did not identify any impairment indicators for any of the Company's mineral properties during the six months ended June 30, 2013.

Share-Based Compensation

The Company is required to initially record all equity instruments including warrants, restricted share units 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.

**Ur-Energy Inc.**  
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(Information as at July 25, 2013 unless otherwise noted)

**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.

**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, 2013 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 February 27, 2013 which are filed, respectively, on SEDAR at [www.sedar.com](http://www.sedar.com) and 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, 2013**

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(Information as at July 25, 2013 unless otherwise noted)

**Other Information**

Other information relating to the Company may be found on the SEDAR website at [www.sedar.com](http://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, 2013**

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(Information as at July 25, 2013 unless otherwise noted)

**Directors and Officers**

Jeffrey T. Klenda, B.A. – Chairman and Executive Director

Wayne W. Heili, B.Sc. – President, Chief Executive Officer and Director

W. William Boberg, M.Sc., P. Geo. – Director

Thomas Parker, M.Eng., 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

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**

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

**Website**

[www.ur-energy.com](http://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

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 periods ended June 30, 2013.
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, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: July 30, 2013

/s/ Roger Smith

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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 periods ended June 30, 2013.
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, 2013 and ended on June 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: July 30, 2013

/s/ Wayne W. Heili

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Wayne W. Heili

Chief Executive Officer