
**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
of the Securities Exchange Act of 1934**

For the month of **March, 2009**

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

UR-ENERGY INC.

(Translation of registrant's name into English)

**10758 W. Centennial Road, Suite 200
Littleton, Colorado 80127**

(Address of principal executive offices)

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 by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No



FURNISHED HEREWITH

<u>Exhibit</u>	<u>Description of Exhibit</u>
99.1	Notice of Annual and Special Meeting of Shareholders, Management Information Circular
99.2	Proxy Form
99.3	Letter to Shareholders
99.4	2008 Annual Management's Discussion and Analysis
99.5	2008 Annual Audited Consolidated Financial Statements
99.6	Certifications of Annual Filings Form 52-109F1

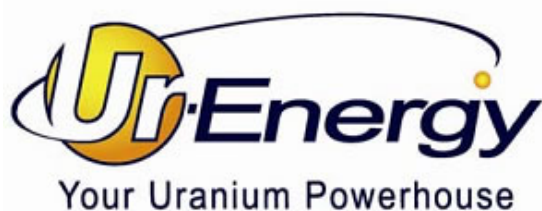
Signatures

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: March 27, 2009

By: /s/ W. William Boberg
W. William Boberg, President & CEO



UR-ENERGY INC.
10758 West Centennial Road, Suite 200
Littleton, Colorado 80127 USA

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders (the "Meeting") of Ur-Energy Inc. (the "Corporation") will be held at Hampton Inn & Suites, 7611 Shaffer Parkway, Littleton, Colorado 80127 on Tuesday, April 28, 2009 commencing at 1:00 p.m. (MDT) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2008 together with the report of the auditor thereon;
2. to elect directors;
3. to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the directors to fix the remuneration of the auditor;
4. to consider and, if deemed advisable, to pass, with or without amendment, a resolution to approve the adoption of the Ur-Energy Inc. Restricted Share Unit Plan (the "RSU Plan Resolution");
5. to consider and, if deemed advisable, to pass, with or without amendment, a resolution to ratify and confirm the Corporation's shareholder rights plan agreement (the "Rights Plan Resolution"); and
6. to transact such other business as may properly come before the meeting or any adjournment or adjournments thereof.

Accompanying this notice are the management proxy circular, containing details of the matters to be dealt with at the Meeting, the audited consolidated financial statements of the Corporation for the year ended December 31, 2008, together with management's discussion and analysis thereon, and a form of proxy.

Shareholders who are unable to attend the Meeting in person are requested to complete and sign the accompanying form of proxy and return it by mail in the enclosed return envelope or by facsimile or by Internet. To be effective, proxies must be received by the Corporation's transfer agent, Equity Transfer & Trust Company, Suite 400, 200 University Avenue, Toronto Ontario M5H 4H1, Attention: Proxy Department, or by facsimile at 1-416-595-9593 or Internet prior to 5:00 p.m. (MDT) on Monday, April 27, 2009 or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to when any adjournment thereof is to be held, or may be deposited with the Chair of the Meeting at any time prior to the commencement of the Meeting or any adjournment thereof.

DATED at Denver, Colorado, this 18th day of March, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Paul G. Goss"
Corporate Secretary

UR-ENERGY INC.
10758 West Centennial Road, Suite 200
Littleton, Colorado 80127 USA

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This management proxy circular (the “Circular”) is furnished in connection with the solicitation by the management of Ur-Energy Inc. (the “Corporation” or “Ur-Energy”) of proxies for use at the annual and special meeting of shareholders of the Corporation (the “Meeting”) to be held at Hampton Inn & Suites, 7611 Shaffer Parkway, Littleton, Colorado 80127 on Tuesday, April 28, 2009 commencing at 1:00 p.m. (MDT), and at any adjournment thereof, for the purposes set forth in the Notice of Meeting (the “Notice”). The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers, employees or representatives of the Corporation. All costs of solicitation will be borne by the Corporation. The information contained herein is given as at March 18, 2009, unless otherwise indicated.

All dollar amounts in this Circular are in Canadian dollars, except where indicated otherwise. References to “\$” are to Canadian dollars and reference to “US\$” are to United States dollars. On March 18, 2009, the noon exchange rate of Canadian currency in exchange for United States currency, as reported by the Bank of Canada, was CDN\$1.00 = US\$0.7862.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are officers of the Corporation. *Each shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof.* Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.

VOTING INSTRUCTIONS

Registered Shareholders

There are two methods by which registered shareholders (“Registered Shareholders”), whose names are shown on the books or records of the Corporation as owning common shares (“Common Shares”), can vote their Common Shares at the Meeting: in person at the Meeting or by proxy. Should a Registered Shareholder wish to vote in person at the Meeting, the form of proxy included with the Circular should not be completed or returned; rather, the Registered Shareholder should attend the Meeting where his or her vote will be taken and counted. Should the Registered Shareholder not wish to attend the meeting or not wish to vote in person, his or her vote may be voted by proxy through one of the methods described below and the shares represented by the proxy will be voted or withheld from voting, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the shares will be voted accordingly.

A Registered Shareholder may vote by proxy by using one of the following methods: (i) the paper form of proxy to be returned by mail or delivery; (ii) by facsimile; or (iii) by Internet. The methods of using each of these procedures are as follows:

Voting by Mail. A Registered Shareholder may vote by mail or delivery by completing, dating and signing the enclosed form of proxy and depositing it with Equity Transfer & Trust Company (the "Transfer Agent") using the envelope provided or by mailing it to Equity Transfer & Trust Company, Attention: Proxy Department, Suite 400, 200 University Avenue, Toronto, Ontario M5H 4H1 or to the Corporate Secretary of the Corporation at Suite 200, 10758 West Centennial Road, Littleton, Colorado, 80127, USA, for receipt no later than 5:00 p.m. (MDT) on Monday, April 27, 2009, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

Voting by Facsimile. A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 1-416-595-9593. The form of proxy must be received by no later than 5:00 p.m. (MDT) on Monday, April 27, 2009, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

Voting by Internet. Registered Shareholders may vote by Internet by accessing the following website: www.voteproxyonline.com. When you log on to the site you will be required to input a control number as instructed on the logon page. Please see additional information enclosed with the Circular. Registered Shareholders may vote by Internet up to 5:00 p.m. (MDT) on Monday, April 27, 2009, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned Meeting.

A proxy must be in writing and must be executed by the Registered Shareholder or by an attorney authorized in writing or, if the Registered Shareholder is a corporation or other legal entity, by an authorized officer or attorney. Voting by mail is the only method by which a Registered Shareholder may choose an appointee other than the Management appointees named on the proxy.

Non-Registered Shareholders (Beneficial Owners)

In the Circular and the enclosed form of proxy and Notice, all references to shareholders are to Registered Shareholders of Common Shares. Only Registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Shareholder" or "Beneficial Owner") are registered either:

- (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency such as CDS& Co. (the registration name for CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Common Shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your Common Shares. **Therefore, beneficial shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Owners, those who object to their name being made known to the Corporation, referred to as objecting beneficial owners ("OBOs") and those who do not object to the Corporation knowing who they are, referred to as non-objecting beneficial owners ("NOBOs"). In accordance with the requirements of *National Instrument 54-101—Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has opted this year to distribute copies of the Notice, Circular, the enclosed form of proxy and the Corporation management's discussion and analysis of financial condition and results of operations and consolidated financial statements for the fiscal year ended

December 31, 2008 (collectively, the "Meeting Materials") to NOBOs directly through the Transfer Agent. Whereas, the Meeting Materials will continue to be distributed to OBOs through clearing agencies and Intermediaries, who often use a service company (such as Broadridge Financial Solutions, Inc. ("Broadridge")) to forward meeting materials to Non-Registered Shareholders.

The Meeting Materials are being sent to both Registered and Non-Registered Shareholders of the securities. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of common shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners

Intermediaries are required to forward Meeting Materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will usually receive a voting instruction form ("VIF") from Broadridge in lieu of the form of proxy from the Corporation. The VIF will name the same person as the proxy to represent the shareholder at the Meeting. A shareholder as the right to appoint a person (who need not be a shareholder of Ur-Energy) other than persons designated in the VIF, to represent the shareholder at the Meeting. To exercise this right, the shareholder should insert the name of the desired representative in the blank space provided in the VIF. You are asked to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, you can call Broadridge's toll free telephone number or access Broadridge's Internet website to vote your Common Shares. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

Non-Objecting Beneficial Owners

NOBOs can expect to receive the Meeting Materials with a VIF from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in the envelope provided or by following the instructions contained on the VIF for facsimile, telephone or Internet voting. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. **If you receive a VIF from the Transfer Agent, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the VIF must be returned to Transfer Agent well in advance of the Meeting in order to have the Common Shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such Common Shares.**

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares they beneficially own. Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions on the form.

In any event, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and Broadridge or other service company or the Transfer Agent, as the case may be.

REVOCATION OF PROXIES

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so (1) by delivering another properly executed proxy bearing a later date and depositing it as aforesaid, including within the prescribed time limits noted above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing (i) at the head office of the Corporation with the Corporate Secretary at Suite 200, 10758 West Centennial Road, Littleton, Colorado, 80127, USA at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chair of the Meeting, prior to its commencement, on the day of the Meeting, or at any adjournment thereof; (3) by attending the Meeting in person and so requesting; or (4) in any other manner permitted by law.

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING AND DISCRETION OF PROXIES

On any ballot that may be called for, the shares represented by proxies in favor of the persons named by management of the Corporation will be voted for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote FOR the election of management's nominees as directors; FOR the appointment of the auditor and the authorization of the directors to fix the remuneration of the auditor; FOR the RSU Plan Resolution; FOR the Rights Plan Resolution; and in accordance with management's recommendations with respect to amendments or variations of the matters set out in the Notice or any other matters which may properly come before the Meeting.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters identified in the Notice or any other matters that may properly come before the Meeting. As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

As at March 18, 2009, the authorized capital of the Corporation consisted of an unlimited number of Common Shares, of which 93,893,607 Common Shares were issued and outstanding, and an unlimited number of Class A Preference Shares, issuable in series, of which none has been issued.

A holder of record of Common Shares as at the close of business on March 23, 2009 (the "Record Date") is entitled to one vote for each Common Share held by him or her. The affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

In accordance with the *Canada Business Corporations Act*, the Corporation will prepare a list of holders of Common Shares on the Record Date. Each holder of Common Shares named in the list at the close of business on the Record Date, namely, March 23, 2009, will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting.

As of March 18, 2008, to the knowledge of the directors and senior officers of the Corporation, the following persons beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Common Shares:

Name of Holder	Number of Common Shares of the Corporation	Percentage of Issued and Outstanding Common Shares of the Corporation
BlackRock, Inc. ⁽¹⁾	11,326,450	12.1%

(1) As reported by BlackRock, Inc. on Form 13G dated January 13, 2009 filed with the US Securities and Exchange Commission.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The articles of the Corporation provide that the board of directors of the Corporation (the “Board of Directors”) shall consist of a minimum of one and a maximum of ten directors, the number of which is currently fixed at six.

The following table lists certain information concerning the nominees for election as directors of the Corporation. The information as to principal occupations and the number of Common Shares beneficially owned or over which control or direction is exercised by each nominee has been furnished by the respective nominees individually.

Name	Position with Corporation and Principal Occupation Within the Past Five Years	Period(s) of Service as a Director	Common Shares Beneficially Owned or Subject to Control or Direction
Jeffrey T. Klenda Golden, Colorado	Chair and Executive Director	August 2004 – present	777,225
W. William Boberg Morrison, Colorado	President, Chief Executive Officer and Director	January 2006 – present	550,000
James M. Franklin ⁽²⁾ Ottawa, Ontario	Director, Consulting Geologist / Adjunct Professor of Geology Queen’s University, Laurentian University and University of Ottawa	March 2004 – present	100,000
Paul Macdonell ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Mississauga, Ontario	Director Senior Mediator, Government of Canada	March 2004 – present	20,000
Robert Boaz ⁽¹⁾⁽²⁾⁽³⁾ Mississauga, Ontario	Director Mining Company Executive	March 2006 – present	Nil
Thomas Parker ⁽¹⁾⁽²⁾⁽³⁾ Kalispell, Montana	Director Mining Company Executive	July 2007 – present	4,000

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee. James Franklin was an ex officio member of the Compensation Committee from July 2007 to January 28, 2008.

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

(4) Mr. Macdonell was a former director of Wedge Energy International Inc. (“Wedge”). Wedge was subject to a Management Cease Trade Order imposed by the Ontario Securities Commission (“OSC”) on May 31, 2007 for the late filing of Wedge’s financial statements for the period ended March 31, 2007. The Order was lifted by the OSC on August 14, 2007.

Jeffrey T. Klenda, B.A.

Chair & Executive Director

Mr. Klenda graduated from the University of Colorado in 1980 and began his career as a stockbroker specializing in venture capital offerings. Prior to joining the Corporation in 2004 as a director, he worked as a Certified Financial Planner and was a member of the International Board of Standards and Practices. In 1988, he started Klenda Financial Services, an independent financial services company providing investment advisory services to high-end individual and corporate clients as well as providing venture capital to corporations seeking entry to the U.S. securities markets. In the same year Mr. Klenda formed Independent Brokers of America, Inc., a national marketing organization. He also served as President of Security First Financial, a company he founded to provide consultation to individuals and corporations seeking investment management and early stage funding. Mr. Klenda became the Chair of the Board of Directors and Executive Director of the Corporation in January 2006. Mr. Klenda is currently a director and chair of the board of directors of Aura Silver Resources Inc.

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

President, Chief Executive Officer & Director

Mr. Boberg is the Corporation's President and Chief Executive Officer and a director (since January 2006). Previously, Mr. Boberg was the Corporation's senior U.S. geologist and VP U.S. Operations (September 2004 to January 2006). Before his initial involvement with the Corporation in 2004, he was a consulting geologist having over 35 years experience investigating, assessing and developing a wide variety of mineral resources in a broad variety of geologic environments in western North America, South America and Africa. Companies that Mr. Boberg has worked for include Gulf Minerals, Hecla Mining, Anaconda, Continental Oil Minerals Department, Wold Nuclear, Kennecott, Western Mining, Canyon Resources and Africa Mineral Resource Specialists. Mr. Boberg has over twenty years experience exploring for uranium in the continental US. He discovered the Moore Ranch Uranium Deposit, the Ruby Ranch Uranium Deposit as well as several smaller deposits in Wyoming's Powder River Basin. He received his Bachelor's Degree in Geology from Montana State University and his Master's Degree in Geology from the University of Colorado. He is a registered Wyoming Professional Geologist and fellow of the Society of Economic Geologists. He is a member of the Society for Mining, Metallurgy & Exploration Inc., American Institute of Professional Geologists (for which he is a certified geologist), the Denver Regional Exploration Society and the American Association of Petroleum Geologists. Mr. Boberg is also a director for Aura Silver Resources Inc. (since June 2008).

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

Director & Chair of the Technical Committee

Dr. Franklin has over 40 years experience as a geologist. He is a Fellow of the Royal Society of Canada. Since January 1998, he has been an Adjunct Professor at Queen's University, since 2001, at Laurentian

University and since 2006 at the University of Ottawa. He is a past President of the Geological Association of Canada and of the Society of Economic Geologists. He retired as Chief Geoscientist, Earth Sciences Sector, the Geological Survey of Canada in 1998. Since that time, he has been a consulting geologist and is currently a director of Aura Silver Resources Inc. (since October 2003), RJK Exploration Ltd. (since July 2001) and Spider Resources Ltd. (since July 2006).

Paul Macdonell, *Diploma Public Admin.*

Director & Chair of Compensation Committee

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

Robert Boaz, *M. Economics, Hon. BA*

Director & Chair of the Corporate Governance

and Nominating Committee

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

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

Director & Chair of the Audit Committee

Mr. Parker has worked extensively in senior management positions in the mining industry for the past 43 years. Mr. Parker is a mining engineer graduate from South Dakota School of Mines, with a Master's Degree in Mineral Engineering Management from Penn State. Mr. Parker is President and CEO of US Silver Corporation before which he was President and CEO of Gold Crest Mines, Inc., a Spokane-based gold exploration company. Prior to Gold Crest, he was the President and CEO of High Plains Uranium, Inc. a junior uranium mining company acquired by Energy Metals in January 2007. Mr. Parker also spent 10 years as Executive Vice President of Anderson and Schwab, a management consulting firm. Prior to Anderson and Schwab, Mr. Parker held many executive management positions with, including Costain Minerals Company, ARCO, Kerr McGee Coal Company and Conoco. He also has worked in the potash, limestone, talc, coal and molybdenum industries and has extensive experience in Niger, France and Venezuela.

Management of the Corporation does not anticipate that any of the nominees for election as directors will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting of shareholders of the Corporation or until his successor is elected or appointed.

Corporate Cease Trade Orders or Bankruptcies

Except as noted under "Election of Directors", none of the directors or officers of the Corporation is, or has been within the ten years before the date of this Circular, a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied

the issuer access to any statutory exemptions under Canadian securities legislation for a period of more than 30 consecutive days or was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that company.

Penalties or Sanctions

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

Personal Bankruptcies

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

Appointment of Auditors

At the Meeting, it is proposed to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of shareholders with their remuneration to be fixed by the Board of Directors. PricewaterhouseCoopers LLP and its affiliates have been the auditors of the Corporation since December 2004.

The fees accrued for audit and audit-related services in relation to the Corporation's financial year ended December 31, 2008 performed by PricewaterhouseCoopers LLP were \$90,000 which is payable in 2009. The aggregate fees billed by PricewaterhouseCoopers LLP for all non-audit services rendered to the Corporation during 2008 were \$198,242, of which \$109,753 was paid in 2009. The Audit Committee has determined that the nature of the non-audit services rendered during 2008, and the aggregate fees billed in respect of those services, were consistent with maintaining the auditors' independence.

Approval of the RSU Plan Resolution

At the Meeting, shareholders will be asked to consider, and, if thought advisable, to pass, with or without variation, a resolution substantially in the form set out in Schedule A attached to this Circular, to confirm and approve the Ur-Energy Inc. Restricted Share Unit Plan (the "RSU Plan"), a copy of which is attached as Schedule B to this Circular. The Board of Directors adopted the RSU Plan on February 5, 2009 upon the approval of the Toronto Stock Exchange but subject to shareholder approval. The Corporation adopted the RSU Plan as part of the Corporation's overall stock-based compensation plan. The RSU Plan allows participants to earn actual common shares of the Corporation over time, rather than options that give participants the right to purchase stock at a set price.

The Corporation continues to have the Ur-Energy Inc. Stock Option Plan 2005, as amended (the "Option Plan"), more fully described under the heading "Stock Options". Combined the Option Plan and, if approved, the RSU Plan will provide that the maximum number of Common Shares available for issuance in the aggregate under both plans is equal to 10% of the number of Common Shares outstanding at the time of grant. The Corporation on a going forward basis expects to allocate approximately 80% of the number of Common

Shares eligible for grant to the Option Plan, currently, 7,459,440 shares and approximately 20% of the number of Common Shares eligible for grant to the RSU Plan, currently, 1,864,860 shares.

The rules of the Toronto Stock Exchange provide that an issuer must have approved by its securityholders every three years after the institution of a plan which does not have a fixed maximum number of securities issuable thereunder, which is the case of the combined Option Plan and RSU Plan of the Corporation, which provides that the maximum number of Common Shares available for issuance in the aggregate under both plans is equal to 10% of the number of Common Shares outstanding at the time of grant. The RSU Plan will need to be approved by shareholders at a meeting of shareholders by 2012.

The RSU Plan is a plan which includes directors, executive officers and employees of the Corporation. The Board of Directors has appointed the Compensation Committee to approve which persons are entitled to participate in the RSU Plan and the number of RSUs to be awarded to each participant. RSUs awarded to participants are credited to an account that is established on their behalf and maintained in accordance with the RSU Plan. Each RSU awarded conditionally entitles the participant to the delivery of one common share (or cash in lieu of such share) upon attainment of the RSU vesting period. RSUs awarded to participants vest in accordance with the terms of the RSU Plan. All RSUs awarded vest over a two year period, 50% of the RSUs awarded to each participant vesting on the first anniversary of the date of grant and 50% vesting on the second anniversary of the date of grant. On voluntary termination of employment, or resignation of a director from the Board of Directors, all unvested RSUs are forfeited. Additional details of the RSU Plan are outlined below and a copy of the full RSU Plan is attached at Schedule B to this Circular:

- the RSU Plan provides for the Corporation to redeem Restricted Share Units for cash or Common Shares from treasury to satisfy all or any portion of the RSU awards;
- the maximum number of Common Shares available for issuance under both the RSU Plan and the Option Plan is 10% of the issued and outstanding shares and remains at the same level as currently been approved (i.e. there will be NO increase in the maximum number of Common Shares available for issuance under the Option Plan and RSU Plan)
- in the event of a Change of Control (as defined in the RSU Plan) the Corporation shall redeem 100% of the Restricted Share Units granted to participants
- in the event of an involuntary termination of an employee of the Corporation, other than for cause, or a director who is not re-elected the Corporation shall redeem the Restricted Share Units for cash

In February 2009, the Corporation awarded a total of 1,017,828 RSUs to approximately 49 directors, executive officers and employees, however, all RSU awards are subject to the approval of the RSU Plan by shareholders. In the event that shareholders do not approve the RSU Plan, such grants will cease to exist.

The Board of Directors is of the view that it is in the best interests of the Corporation to adopt the RSU Plan, which will continue to enable the Board of Directors to grant options to directors, officers, employees or consultants of the Corporation and its subsidiaries as a means of attracting highly qualified directors, executive officers and employees who will be motivated towards the success of the Corporation and to encourage share ownership in the Corporation by directors, executive officers and employees who work on behalf of the Corporation. In addition, the RSU Plan also will assist in providing directors and executive

officers with equity ownership in the Corporation which will align their interests with those of the shareholders.

In order to be effective, the RSU Plan Resolution must be approved by a vote of a majority of the votes cast at the Meeting, in person or by proxy, excluding 1,461,584 Common Shares held by certain insiders of the Corporation and their affiliates.

Recommendation of Ur-Energy's Board of Directors

After careful consideration, the Board of Directors has determined that the RSU Plan Resolution is in the best interests of the Corporation's shareholders. The Board of Directors unanimously approved the RSU Plan Resolution and recommends approval of the resolution by the Corporation's shareholders.

Approval of the Shareholder Rights Plan Resolution

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve a resolution (the "Rights Plan Resolution"), the full text of which is reproduced as Schedule C to this Circular, to ratify and confirm the shareholder rights plan agreement dated as of November 7, 2008 between the Corporation and Equity Transfer & Trust Company (the "Rights Plan"). A summary of the Rights Plan text is provided at Schedule D to this Circular. The full text of the Rights Plan is available on SEDAR at www.sedar.com and Edgar at www.sec.gov and is incorporated by reference into this Circular.

Many public companies in Canada have shareholder rights plans in effect. While securities legislation in Canada requires a take-over bid to be open for at least 35 days, the Board of Directors is concerned that this is too short a time if the Corporation is subject to unsolicited take-over bids to be able to respond to and ensure that shareholders are offered full and fair value for their shares. The Rights Plan is designed to give the Corporation and its shareholders sufficient time to evaluate any unsolicited take-over bid and, if appropriate, to seek out alternatives to maximize shareholder value. The Board of Directors is also concerned that current Canadian take-over bid rules permit a person or company to obtain control or effective control of the Corporation without treating all shareholders equally. The Rights Plan is not intended to prevent a take-over bid or deter offers for shares. It is designed to encourage any bidder to provide shareholders with equal treatment and full and fair value for their shares. The Rights Plan is also not intended to secure the continuance in office of the existing members of the Board of Directors or management, or to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interests of shareholders.

The Rights Plan came into effect on its approval by the Board of Directors on November 7, 2008. The Board of Directors believes that the Rights Plan is in the best interests of the Corporation and its shareholders. The Rights Plan was not adopted by the Board in response to any specific proposal or intention to acquire control of the Corporation. Subject to approval of the Rights Plan Resolution and periodic confirmation by shareholders, the Rights Plan will remain in effect until the close of business on the day of the ninth annual meeting following the Meeting. In addition, the Rights Plan must be reconfirmed by more than 50% of the votes cast at each of the third and sixth annual meetings of the Corporation's shareholders following the Meeting.

The approval of shareholders at the Meeting holding a majority of the votes cast is required to approve the Rights Plan Resolution.

After careful consideration, the Board of Directors has determined that the Rights Plan Resolution is in the best interests of the Corporation's shareholders. The Board of Directors unanimously approved the Rights Plan Resolution and recommends approval of the resolution by the Corporation's shareholders.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy

The Corporation is committed to managing its human resources. The Corporation believes that the caliber and commitment of its executive officers are critical to the continued success and performance of the Corporation and the overall commitment of the Corporation's employees.

The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to the overall approach to compensation for Ur-Energy and specifically with respect to the executive officers of the Corporation, including the President and Chief Executive Officer, and the remuneration of directors.

During 2008, the Compensation Committee undertook a comprehensive review of the Corporation's total direct compensation program which included competitive market data, pay grades, share ownership guideline and short term and long term incentives. To facilitate the process, the Committee engaged 3XCD Inc., a consulting firm, to assist them. See heading "Review of 2008 Compensation Program and Implementation of 2009 Compensation Program" below.

The Corporation has employment contracts with its employed executive officers as more fully described under the heading "Employment Agreements". During 2008, the Compensation Committee's approach to compensation for the executive officers was to provide a base salary and long-term incentives in the form of stock options. See the section below entitled "Stock Options". During the year, the Compensation Committee also considered the addition of a variable cash incentive component in the form of a short-term incentive plan. After careful consideration, the Compensation Committee did not implement the short-term incentive plan for the year ended December 31, 2008. Additionally, the executive officers' base salaries were not increased during 2008.

The Corporation continues to have one executive officer located in Canada who is a consultant to the Corporation and the Compensation Committee reviews the billing rates and longer term incentives in the form of stock options with respect to this executive officer on an annual basis.

Compensation Structure

The Corporation's compensation program consists of base salary, long term equity incentives, perquisites including personal benefits. The compensation program is designed to provide motivation and incentives to its executive officers and employees with a view toward enhancing shareholder value while successfully implementing the Corporation's objectives. The Compensation Committee and management of the Corporation periodically review the compensation program to ensure that it is consistent with the Corporation's goal of attracting, retaining and motivating its executive officers and employees.

Base Salary

Base salary is the non-variable portion of cash compensation earned or paid to the executive officers and employees of the Corporation. The Corporation provides its executive officers and employees with base salaries to compensate them for services rendered during the fiscal year and to aid in attracting and retaining

quality employees. The Compensation Committee reviews the base salary for each executive officer of the Corporation annually or upon a promotion or other change in job responsibility, based on the individual's level of responsibility, the importance of the position to the Corporation and the individual's contribution to the Corporation's performance. The Compensation Committee also assesses base salary relative to a group of peer companies with similar scope and operations to ensure that it is positioned competitively with executive officers in similar roles at other peer companies.

The 2008 base salaries of Mr. Boberg, Mr. Smith, Mr. Heili, Mr. Klenda, and Mr. Goss remained the same as their 2007 base salaries and were unchanged as at March 18, 2009. Mr. Backer's salary was increased in April 2008 to bring his salary to a competitive level based on the Compensation Committee's analysis. Mr. Pitman's billing rate also remained unchanged in 2008, as a consultant to the Corporation.

Total Cash Compensation

Total cash compensation includes base salary and any variable short-term cash incentive compensation. During 2008, the Corporation did not have a short-term incentive plan and no short-term incentive compensation was earned or paid to the executive officers or employees of the Corporation.

Long Term Equity Incentives

During 2008, the only long-term incentive plan ("LTIP") component in place was the Corporation's 2005 Stock Option Plan ("Option Plan"). A more detailed discussion of the Option Plan can be found under the heading "Stock Options". The Option Plan is a long-term incentive plan for the executive officers and other employees of the Corporation. Participation in the Option Plan is determined by the Compensation Committee, taking into account the recommendations of the CEO. The purpose of the Option Plan is to provide eligible participants with the opportunity to own shares of the Corporation, enhance the Corporation's ability to attract, retain and motivate key personnel, reward participants for strong performance, and align the participant's interests with those of the shareholders.

During 2008, certain executive officers and employees voluntarily relinquished certain options for Common Shares which had been granted at prices of \$4.75 per share and higher. These options were then cancelled by the Corporation and returned to the available pool under the Option Plan.

Perquisites including Benefits

The Corporation provides employees, including its executive officers who are employees of the Corporation, with perquisites including personal benefits that the Corporation believes are reasonable and consistent with its overall compensation program to better enable the Corporation to attract and retain quality employees for key positions. The Corporation periodically reviews the levels of other perquisites provided to the employees and executive officers to ensure competitiveness and value.

Executive officers who are employees of the Corporation also participate in healthcare and other benefit programs on the same terms as other employees of the Corporation.

Review of the 2008 Compensation Program and Implementation of the 2009 Compensation Program

During 2008, the Compensation Committee undertook a comprehensive review of the Corporation's total direct compensation program which included competitive market data, pay grades, share ownership guideline and short term and long term incentives. To facilitate the process, the Committee engaged 3XCD Inc., a consulting firm, to assist them. The Compensation Committee compared key elements of total compensation

for the executive officers against peer group survey data provided by 3XCD. The key elements of compensation compared included base-salary, total cash compensation and total direct compensation. The peer group consisted of 31 companies within the mining and energy sectors, with specific focus on the uranium sector including: Energy Metals Corp., Geomet Inc., Khan Resources Inc., Mega Uranium Ltd., Paladin Resources Limited, Strathmore Minerals Corp., Uranerz Energy Corp., Uranium Resources Inc., and CanAlaska Uranium Ltd. Although 3XCD provided advice to the Compensation Committee, the terms of the Corporation's executive compensation program are determined by the Compensation Committee and reflect other factors and considerations than only those provided by 3XCD.

The Compensation Committee completed their review of the Corporation's compensation program at the end of 2008. Subsequently, in January 2009, the Compensation Committee recommended to the Board of Directors a 2009 Compensation Program. The key elements of the 2009 Compensation Program will include base-salary, short term incentive plan, long term equity incentives and perquisites which includes personal benefits.

Base Salary

The Compensation Committee's approach to base salary is unchanged. The Compensation Committee will continue to review the base salary for each executive officer of the Corporation annually or upon a promotion or other change in job responsibility, based on the individual's level of responsibility, the importance of the position to the Corporation and the individual's contribution to the Corporation's performance. The Compensation Committee will continue to review the base salary relative to a group of peer companies with similar scope and operations to ensure that it is positioned competitively with executive officers in similar roles at other peer companies.

Short Term Incentive Plan

In 2009, the Corporation will introduce a variable short-term incentive plan ("STIP"). The STIP will comprise the variable component of total cash compensation and will be performance based. The purpose of including performance-based incentive compensation as part of the total cash compensation is to encourage and reward individual contributions and drive behaviors to meet corporate objectives and business strategy, while at the same time promoting teamwork and shareholder value.

Corporate objectives and business strategy will be determined by the Board of Directors, taking into account the recommendations of the CEO. The STIP program will be based on corporate objectives, personal objectives, and where appropriate operating objectives and will tie directly to the Corporation's business strategy. Payouts within the STIP program will be based upon individual and team performance on year-over-year achievement of set objectives. The Compensation Committee and the Board of Directors will determine and exercise discretion over each executive officer's STIP payout.

Long Term Incentive Plan

In 2009, and subject to shareholder approval at this Meeting, the Corporation will introduce a restricted share unit plan ("RSU Plan") as a component of the Corporation's LTIP program, in addition to the Corporation's Option Plan. The RSU Plan will be an equity-based incentive plan which is more fully described under the heading "Approval of the RSU Plan Resolution". The RSU Plan allows participants to earn actual shares of the Corporation over time, rather than options that give the participant the right to purchase shares at a set price. The RSU Plan provides an additional means of attracting highly-qualified directors, executive officers and employees who will be motivated toward the success of the Corporation and encourages share ownership in the Corporation by the participant. In addition, through share ownership, the RSU Plan also will encourage the alignment the participant's interests with those of the shareholders. The Compensation Committee will

make recommendations to the Board of Directors for an LTIP program which includes certain awards under the RSU Plan and/or the Option Plan.

Concerning the Corporation's STIP and LTIP programs, the Compensation Committee and the Board of Directors has the power to, among other things, determine (i) those individuals who will participate, (ii) the level of participation of each participant, and (iii) the time or times when the participant's rights will vest. The Compensation Committee determines annually the portion of the incentive pool to be allocated to the executive officers and employees, based upon the recommendations of the CEO. These determinations are primarily based upon the participant's level of seniority and responsibility within the Corporation.

The Board of Directors also may amend, suspend or discontinue the STIP and LTIP programs at any time, subject to the receipt of regulatory approvals. No amendment, suspension or discontinuance of the STIP and LTIP programs may contravene the requirements of the TSX or any other applicable law.

Share Ownership Guidelines

In 2009, the Board of Directors has also mandated that each executive officer of the Corporation, whether currently appointed or appointed in the future, will be required to invest an amount equal to one times the executive officer's annual base salary in shares or securities exercisable into shares on or before the latest of (i) December 31, 2013, or (ii) the fifth anniversary of the executive officer's appointment. The investment amount will be calculated using the amount of the base salary of the executive officer at the latest of (i) January 1, 2009, or (ii) the date of executive officer's appointment.

2009 Compensation Program Objectives

The Compensation Committee has implemented the above changes in an effort to balance the motivational elements of the performance-based STIP program with retention awards under the LTIP program in an effort to align the interests of its executive officers and employees with those of the shareholders while promoting shareholder value. The Corporation's executive officer compensation program is designed to provide motivation and incentives to its executives with a view to:

- enhancing shareholder value and successfully implementing the Corporation's business strategy and objectives;
- attracting and retaining key employees;
- recognizing the scope and level of responsibility of each position;
- providing a competitive level of total compensation to all executives; and
- rewarding superior performance and achievement.

The Corporation evaluates both performance and compensation to ensure that the Corporation's compensation philosophy and objectives are met.

EXECUTIVE COMPENSATION

Compensation of Executive Officers

The following table sets forth the summary information concerning compensation paid to or earned during the most recently completed financial year by the Corporation's Chief Executive Officer and Chief Financial Officer and the three highest paid executive officers, who were serving as executive officers at December 31, 2008 (collectively, the "Named Executive Officers").

Summary Compensation Table (13)

Name and principal position	Year ⁽⁶⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)			All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans	Pension value (\$)		
W. William Boberg ⁽¹⁾⁽¹⁴⁾ President, Chief Executive Officer and Director	2008	\$255,843	Nil	\$68,000 ⁽⁷⁾	Nil	Nil	Nil	Nil	\$323,843
	2007	\$247,250		\$980,000				Nil	\$1,227,250
	2006	Nil		\$508,000 ⁽²⁾				\$290,613	\$798,613
Roger Smith ⁽²⁾⁽¹⁴⁾ Chief Financial Officer and Vice President, Finance, IT & Administration	2008	\$239,853	Nil	\$34,000 ⁽⁸⁾	Nil	Nil	Nil	Nil	\$273,853
	2007	\$142,010		\$724,500				Nil	\$866,510
	2006	Nil		Nil				Nil	Nil
Harold Backer ⁽³⁾⁽¹⁴⁾ Executive Vice President, Geology & Exploration	2008	\$213,203	Nil	\$51,000 ⁽⁹⁾	Nil	Nil	Nil	Nil	\$264,203
	2007	\$148,350		\$367,500				Nil	\$515,850
	2006	Nil		\$254,000				Nil	\$254,000
Wayne Heili ⁽⁴⁾⁽¹⁴⁾ Vice President, Mining & Engineering	2008	\$223,863	Nil	\$34,000 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	\$257,863
	2007	\$169,091		\$1,780,000				Nil	\$1,949,091
	2006	Nil		Nil				Nil	Nil
Jeffrey Klenda ⁽⁵⁾⁽¹⁴⁾ Chair and Executive Director	2008	\$204,675	Nil	\$68,000 ⁽¹¹⁾	Nil	Nil	Nil	Nil	\$272,675
	2007	\$176,300		\$490,000				Nil	\$666,300
	2006	Nil		\$508,000				\$124,000	\$632,000

- (1) Mr. Boberg was a consultant to the Corporation from September 21, 2004 to December 31, 2006. Mr. Boberg entered into an employment agreement with the Corporation dated January 1, 2007. Mr. Boberg was confirmed as President and Chief Executive Officer on May 29, 2006 after having been appointed President, Acting Chief Executive Officer and a Director on January 11, 2006. Previously, from September 2004 to January 11, 2006, Mr. Boberg had been a consultant and Vice President, US Operations of the Corporation.
- (2) Roger Smith joined the Corporation in May 2007 and was appointed to the position of Chief Financial Officer. In August 2007, Mr. Smith was further appointed as Vice President, Finance, IT & Administration.
- (3) Mr. Backer was a consultant to the Corporation from May 2005 to December 31, 2006. Mr. Backer entered into an employment agreement with the Corporation on January 1, 2007.
- (4) Mr. Heili joined the Corporation in February 2007 and was appointed to the position of Vice President, Mining & Engineering. Until April 23, 2007, Mr. Heili worked for the Corporation on a part time basis for a reduced salary while finalizing certain personal matters.
- (5) Mr. Klenda became a director of the Corporation in August 2004 and Chair of the Board of Directors and Executive Director in January 2006. Mr. Klenda was a consultant to the Corporation from August 2004 to December 31, 2006. Mr. Klenda entered into an employment agreement with the Corporation on January 1, 2007.
- (6) All executive officers of the Corporation who were with the Corporation prior to January 1, 2007 were consultants to the Corporation.
- (7) In 2008, Mr. Boberg received options for 80,000 Common Shares on May 8, 2008 at a price of \$1.65 per share. These options expire on May 8, 2013. In 2007, Mr Boberg received options for 400,000 Common Shares on May 22, 2007, at a price of \$4.75.

These options were to expire on May 15, 2012. In 2006, Mr. Boberg received options for 400,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. On September 30, 2008, Mr. Boberg voluntarily forfeited options for 400,000 Common Shares which were granted on May 22, 2007 at a price of \$4.75 per share and these options were subsequently cancelled by the Corporation.

- (8) In 2008, Mr. Smith received options for 40,000 Common Shares on May 8, 2008 at a price of \$1.65 per share. These options expire on May 8, 2013. In 2007, Mr. Smith received options for 225,000 Common Shares on May 22, 2007 at a price of \$4.75 per share. These options were to expire on May 15, 2012. Mr. Smith also received options for 112,500 Common Shares on August 9, 2007 at a price of \$3.00. These options expire on August 9, 2012. On September 30, 2008, Mr. Smith voluntarily forfeited options for 225,000 Common Shares at a price of \$4.75 per share which were granted on May 22, 2007 and these options were subsequently cancelled by the Corporation.
- (9) In 2008, Mr. Backer received options for 60,000 Common Shares on May 8, 2008 at a price of \$1.65 per share. These options expire on May 8, 2013. In 2007, Mr. Backer received options for 150,000 Common Shares on May 22, 2007 at a price of \$4.75 per share. These options were to expire on May 15, 2012. In 2006, Mr. Backer received options for 200,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options expire on April 21, 2011. On September 30, 2008, Mr. Backer voluntarily forfeited options for 150,000 Common Shares at a price of \$4.75 per share which were granted on May 22, 2007 and these options were subsequently cancelled by the Corporation.
- (10) In 2008, Mr. Heili received options for 40,000 Common Shares on May 8, 2008 at a price of \$1.65 per share. These options expire on May 8, 2013. In 2007, Mr. Heili received options for 600,000 Common Shares, subject to certain performance milestones, on February 19, 2007 at a price of \$5.03 per share. These options were to expire on February 15, 2012. Mr. Heili also received options for 100,000 Common Shares on August 9, 2007 at a price of \$3.00 per share. These options expire on August 9, 2012. On September 30, 2008, Mr. Heili voluntarily forfeited options for 600,000 Common Shares at a price of \$5.03 per share which were granted on February 19, 2007 and these options were subsequently cancelled by the Corporation.
- (11) In 2008, Mr. Klenda received options for 80,000 Common Shares on May 8, 2008, at a price of \$1.65 per share. These options expire on May 8, 2013. In 2007, Mr. Klenda received options for 200,000 Common Shares on May 22, 2007 at a price of \$4.75 per share. These options were to expire on May 15, 2012. In 2006, Mr. Klenda received options for 400,000 Common Shares on April 21, 2006 at a price of \$2.35 per share. These options were to expire on April 21, 2011. On September 30, 2008, Mr. Klenda voluntarily forfeited options for 200,000 Common Shares at a price of \$4.75 per share which were granted on May 22, 2007 and these options were subsequently cancelled by the Corporation.
- (12) Mr. Boberg received an additional 300,000 Common Shares in 2006, at a price of \$1.89 per share, as a performance bonus for services rendered to the Corporation.
- (13) United States dollar figures have been converted to Canadian dollar figures at the average exchange rate for 2008 of US\$1.00 =CDN\$1.06601429 as posted by the Bank of Canada.
- (14) Subject to shareholder approval of the RSU Plan Resolution at this Meeting, RSU awards were granted on February 9, 2009 as follows: Mr. Boberg (107,143 shares); Mr. Smith (72,321 shares); Mr. Backer (64,286 shares); Mr. Heili (101,250 shares) and Mr. Klenda (68,571 shares).

Stock Options

The Corporation adopted the Ur-Energy Inc. Stock Option Plan 2005, as amended, in order to advance the interests of the Corporation by providing directors, officers, employees and consultants with a financial incentive tied to the long-term financial performance of the Corporation and continued service or employment with the Corporation.

A total of 10% of the Corporation's issued and outstanding Common Shares are reserved for issuance pursuant to the Option Plan. As noted under the heading "RSU Plan Resolution" the Board of Directors adopted an RSU Plan on February 5, 2009 and granted certain awards under the RSU Plan subject to shareholder approval. The numbers set forth in this paragraph assume the adoption of the RSU Plan and the award of those RSU grants. As at March 18, 2009, this represented 9,324,300 Common Shares. Of these, 8,264,356 (representing 8.8% of the currently outstanding Common Shares) are issuable upon the exercise of currently outstanding options and RSU grants and 1,059,944 Common Shares (representing 1.1% of the currently outstanding Common Shares) are available for future option or RSU grants. The number of shares reserved is subject to adjustment if the Common Shares are subdivided, consolidated, converted or reclassified or the number of Common Shares varies as a result of a stock dividend or an increase or a reduction in the share capital of the Corporation. If the RSU Plan Resolution is adopted at this Meeting, 10% of the issued and outstanding shares will be allocated in the aggregate for the Option Plan and RSU Plan. The Corporation expects going forward that approximately 80% of the shares will be allocated to the Option Plan and 20% to the RSU Plan. See heading "RSU Plan Resolution" for more details on the RSU Plan.

Under the Option Plan, options may be granted to all directors, officers, employees and consultants of the Corporation. The maximum number of Common Shares that may be reserved for issuance to any one person under the Option Plan is 5% of the number of Common Shares outstanding at the time of reservation. The exercise price for Common Shares subject to an option is determined by the Board of Directors at the time of grant and may not be less than the market price of the Common Shares at the time the option is granted. Options are generally exercisable as to 10% immediately on the date of grant; with an additional 22% becoming exercisable four and one-half months after the date of grant; 22% becoming exercisable nine months after the date of grant; 22% thirteen and one-half months after the date of grant; and, the balance of 24% eighteen months after the date of grant, subject to the right of the Board of Directors to determine at the time of a particular grant that such options will become exercisable on different dates. An option may be for a term of up to five years and may not be assigned.

Options granted under the Option Plan are subject to early termination under certain circumstances, including (i) one year after the death of the option holder, (ii) three months after the option holder's resignation or dismissal without cause as an employee, or (iii) immediately upon the option holder's dismissal for cause as an employee. In each case, only options exercisable at the time of the event which gave rise to such early termination may be exercised by the option holder during such period. The Option Plan also provides that on a change of control all options under the Option Plan vest immediately and are immediately exercisable. On November 8, 2007, the Board amended the Option Plan to allow the CEO the ability to grant options for up to an aggregate 100,000 Common Shares between Board meetings to non-executive employees and consultants. All such grants must be reported to the Board at the next meeting. This amendment did not require shareholder approval.

The Option Plan and the terms of any outstanding option may be amended at any time by the Board of Directors subject to any required regulatory or shareholder approvals, provided that where such an amendment would prejudice the rights of an option holder under any outstanding option, the consent of the option holder is required to be obtained.

The following table sets forth information concerning option-based and share-based awards granted by the Corporation to each of the Named Executive Officers during the financial year ended December 31, 2008.

Option Grants During the Financial Year Ended December 31, 2008

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
W. William Boberg	80,000	\$1.65	May 8, 2013	-0-	Nil	Nil
Roger Smith	40,000	\$1.65	May 8, 2013	-0-	Nil	Nil
Harold Backer	60,000	\$1.65	May 8, 2013	-0-	Nil	Nil
Wayne Heili	40,000	\$1.65	May 8, 2013	-0-	Nil	Nil
Jeffrey Klenda	80,000	\$1.65	May 8, 2013	-0-	Nil	Nil

The following table sets forth information concerning the value vested or earned in respect of incentive plan awards during the financial year ended December 31, 2008, by each of the Named Executive Officers.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2008

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
W. William Boberg	960	Nil	Nil
Roger Smith	480	Nil	Nil
Harold Backer	720	Nil	Nil
Wayne Heili	480	Nil	Nil
Jeffrey Klenda	960	Nil	Nil

Employment Contracts

The Corporation entered into an employment agreement with Mr. W. William Boberg dated January 1, 2007, as amended. Mr. Boberg is entitled to a salary of US\$240,000 per year and a discretionary bonus to be set by the Board of Directors. Mr. Boberg is entitled to receive stock option grants under the terms and conditions of the Option Plan and as determined by the Board of Directors. In the event that the Corporation terminates the employment agreement with Mr. Boberg for non-causal reasons, Mr. Boberg will be entitled to a lump sum payment equivalent to two years base salary. In the event of a change of control of the Corporation, Mr. Boberg may be entitled to a lump sum payment equivalent to two years base salary. Mr. Boberg is subject to non-competition and non-solicitation restrictions for a period of one year upon termination of the employment agreement.

The Corporation entered into an employment agreement with Mr. Roger Smith dated May 15, 2007, as amended. Mr. Smith is entitled to a salary of US\$225,000 per year and a discretionary bonus to be set up by the Board of Directors. Mr. Smith is entitled to receive stock option grants under the terms and conditions of the Option Plan and as determined by the Board of Directors. In the event that the Corporation terminates the employment agreement with Mr. Smith for non-causal reasons, Mr. Smith will be entitled to a lump sum payment equivalent to two years base salary. In the event of a change of control of the Corporation, Mr. Smith may be entitled to a lump sum payment equivalent to two years base salary. Mr. Smith is subject to non-competition and non-solicitation restrictions for a period of one year upon termination of the employment agreement.

The Corporation entered into an employment agreement with Mr. Harold Backer dated January 1, 2007, as amended. Mr. Backer is entitled to a salary of US\$200,000 per year and a discretionary bonus to be set by the Board of Directors of the Corporation. Mr. Backer is entitled to receive stock option grants under the terms and conditions of the Option Plan and as determined by the Board of Directors. In the event the Corporation terminates the employment agreement with Mr. Backer for non-causal reasons, Mr. Backer will be entitled to a lump sum payment equivalent to two years base salary. In the event of change of control of the Corporation, Mr. Backer may be entitled to a lump sum payment equivalent to two years base salary. Mr. Backer is subject to non-competition and non-solicitation restrictions for a period of one year upon termination of the employment agreement.

The Corporation entered into an employment agreement with Mr. Wayne Heili dated February 19, 2007, as amended. Mr. Heili is entitled to a salary of US\$210,000 per year and a discretionary bonus to be set by the Board of Directors of the Corporation. Mr. Heili is entitled to receive stock option grants under the terms and

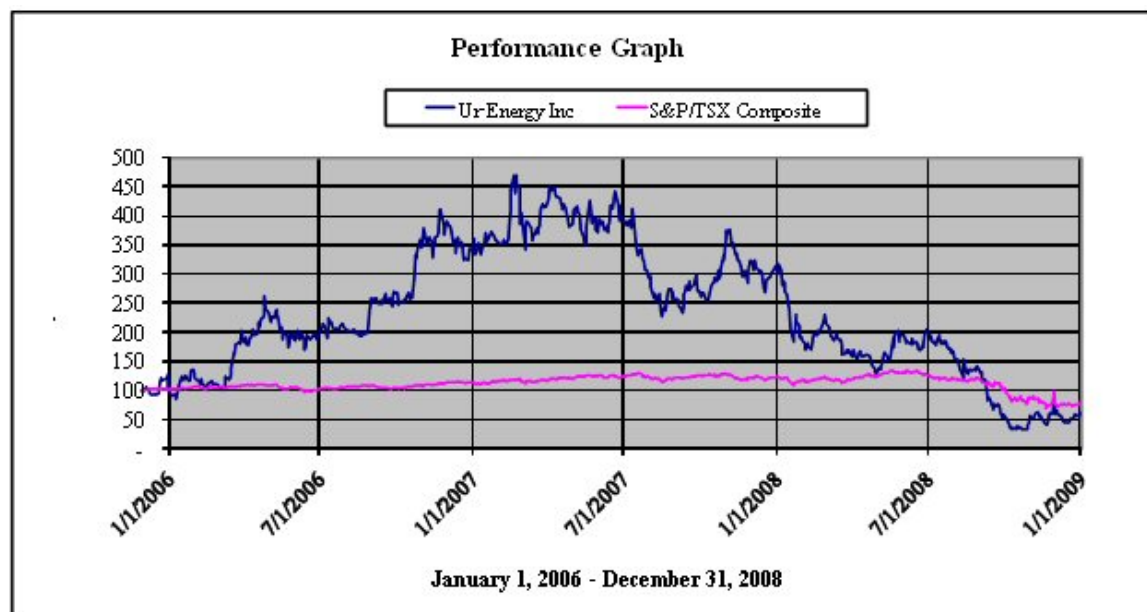
conditions of the Option Plan and as determined by the Board of Directors. In the event the Corporation terminates the employment agreement with Mr. Heili for non-causal reasons, Mr. Heili will be entitled to a lump sum payment equivalent to two years base salary. In the event of change of control of the Corporation, Mr. Heili may be entitled to a lump sum payment equivalent to two years base salary. Mr. Heili is subject to non-competition and non-solicitation restrictions for a period of one year upon termination of the employment agreement.

The Corporation entered into an employment agreement with Mr. Jeffrey Klenda dated January 1, 2007, as amended. Mr. Klenda is entitled to a salary of US\$192,000 per year and a discretionary bonus to be set by the Board of Directors. Mr. Klenda is entitled to receive stock option grants under the terms and conditions of the Option Plan and as determined by the Board of Directors. In the event that the Corporation terminates the employment agreement with Mr. Klenda for non-causal reasons, Mr. Klenda will be entitled to a lump sum payment equivalent to two years base salary. In the event of a change of control of the Corporation, Mr. Klenda may be entitled to a lump sum payment equivalent to two years base salary. Mr. Klenda is subject to non-solicitation restrictions for a period of one year upon termination of the employment agreement.

On December 31, 2008, all the executive employment agreements were amended to insert necessary provisions for compliance with Section 409A provision of the Internal Revenue Code of 1986, as amended, including the timing of payments or deferred compensation in the event of a change of control or termination from the Corporation.

Performance Graph

The following graph illustrates the period from January 1, 2006 to December 31, 2008 and reflects the cumulative shareholder return of an investment in Common Shares of the Corporation compared to the cumulative return of an investment in the S&P/TSX Composite Index since November 29, 2005 assuming that C\$100 was invested and, where applicable, reinvestment of dividends.



Indebtedness of Directors, Executive Officers and Others

At no time since the beginning of the Corporation's last financial year was any director, executive officer, proposed nominee for election as a director, or any of their respective associates, indebted to the Corporation or any of its subsidiaries, nor was the indebtedness of any such person to another entity the subject of any guarantee, support agreement, letter of credit or similar arrangement provided by the Corporation or any of its subsidiaries.

Compensation of Directors

The Compensation Committee and the Board of Directors has instituted compensation arrangements for non-management directors. Commencing in the second quarter of 2007, each non-management director receives a quarterly amount of \$3,000 and for each meeting that the director attends in person \$1,000 and by telephone \$500. Newly appointed directors are each eligible to receive an initial grant of options in the discretion of the Board of Directors. Non-management directors are also eligible to receive grants of options at the discretion of the Board of Directors.

In addition to other compensation received by directors of the Corporation, it was determined by the Compensation Committee and the Board of Directors that non-management directors participating on *ad hoc* or special committees of the Board of Directors, which may be constituted from time to time, would be entitled to additional director fees, to be determined in accordance with additional duties and requirements requested of those individuals from time to time. In respect of the Ad Hoc Committee on Screech Lake, it was determined that non-management directors would receive fees of \$1,000 per day spent in respect of the Ad Hoc Committee activities except in the event that such non-management director is already under a consulting agreement with the Corporation.

Non-Management Director Compensation for the Financial Year Ended December 31, 2008

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Macdonell ⁽³⁾	\$20,000	Nil	\$34,000	Nil	Nil	Nil	\$54,000
James Franklin ⁽³⁾	Nil	Nil	\$34,000	Nil	Nil	\$43,891 ⁽¹⁾	\$77,891
Robert Boaz ⁽³⁾	\$21,000	Nil	\$34,000	Nil	Nil	\$58,500 ⁽²⁾	\$113,500
Thomas Parker ⁽³⁾	\$20,751	Nil	\$34,000	Nil	Nil	Nil	\$54,751

(1) Dr. Franklin has a consulting agreement with the Corporation and invoices the Corporation on an hourly basis for consulting projects on which he is involved.

(2) Mr. Boaz has received additional per diem fees as a director for his work on the Ad Hoc Committee on Screech Lake.

(3) Subject to shareholder approval of the RSU Plan Resolution at this Meeting, RSU awards were granted on February 9, 2009 to each of Messrs. Macdonell, Boaz and Parker, and Dr. Franklin in the amount of 12,857 shares.

In December 2008, the Compensation Committee reviewed the director compensation and recommended changes to the director compensation scheme which was adopted by the Compensation Committee and the Board of Directors in January 2009. Commencing in 2009, each non-management director will receive a base retainer in cash of US\$18,000 and will be eligible to receive grants of options and RSU awards at the discretion of the Board of Directors. In addition, the Compensation Committee and Board of Directors adopted a resolution requiring mandatory ownership of the non-management directors to encourage the alignment of interests between the Corporation and its shareholders. Non-management directors are required

to invest an amount equal to the non-management director's annual retainer in shares or securities exercisable into shares on or before the latest of (i) December 31, 2013, or (ii) the fifth anniversary of the non-management director's election or appointment. The retainer amount will be calculated using the amount of the annual retainer at the latest of (i) January 1, 2009, or (ii) the date of the non-management director's election or appointment.

Directors' and Officers' Liability Insurance

The Corporation has entered into a directors' and officers' liability insurance policy for the benefit of the directors and officers of the Corporation and its subsidiaries. The annual limit for all claims under the policy is US\$5 million, subject to a per claim deductible that ranges from nil to US\$50,000 depending on the nature of any claim. The annual premium payable by the Corporation under the policy is US\$50,000. The Corporation's current coverage under the policy continues until April 8, 2009 and is in the process of being renewed.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain summary information concerning the Corporation's equity compensation plans as at December 31, 2008. Directors, officers, employees and consultants are eligible to participate in the Option Plan.

	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options (C\$)	Number of Common Shares Remaining for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options)
Equity compensation plans approved by securityholders (Ur-Energy Inc. Stock Option Plan 2005). ⁽¹⁾⁽²⁾	6,228,700	1.95	2,936,900
Total	6,228,700		2,936,900

(1) The Board of Directors approved the RSU Plan on February 5, 2009. In the event that the RSU Plan Resolution is approved by shareholders at this meeting, the Corporation will also have an RSU Plan. Under the RSU Plan, subject to shareholder approval of the RSU Plan, RSU awards equivalent to 1,017,828 Common Shares have been granted. As both the Option Plan and RSU Plan in the aggregate can not exceed 10% of the issued and outstanding Common Shares of the Corporation, the number of Common Shares currently remaining for future issuance, taking into account the grants under the RSU Plan, if approved, is 1,059,944 as of March 18, 2009.

(2) The numbers reflected in this chart, as of December 31, 2008, are cumulative numbers following the voluntary forfeited and cancellation of options price at \$4.75 per share or higher which concluded on September 30, 2008 whereby in the aggregate options 2,490,000 Common Shares were voluntarily forfeited by executive officers, directors, employees and consultants of the Corporation and subsequently cancelled by the Corporation.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no insider of the Corporation or proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year

or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Certain of the Corporation's directors and officers also serve as directors and officers of one or more mining and exploration companies. Such directors and officers are also in many cases shareholders of one or more of the foregoing companies. While there is a potential for conflicts of interest to arise in such situations, that potential is minimized because of the nature of these other companies in other areas of mineral resources and precious metals. In 2008, the Corporation recognized a potential conflict which had arisen in respect of the independence of Robert Boaz, due to the composition of another reporting issuer's compensation committee and the provisions set forth in NI 52-110. Upon recognition of the issue, adjustments were made to ensure compliance with NI 52-110 and no other situations of potential conflict have arisen as a result of the cross directorships and cross shareholdings. Except as otherwise disclosed in this Circular, no person who has been a director or officer of the Corporation since the commencement of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Introduction

The Board of Directors believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Board of Directors has reviewed the corporate governance best practices identified in National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (collectively, the "CSA Guidelines"). The Board of Directors is committed to ensuring that the Corporation follows best practices and is continuing to develop such practices.

Board Mandate

The responsibility of the Board of Directors is to supervise the management of the business and affairs of the Corporation in accordance with the best interests of the Corporation and all of its shareholders. The Board of Directors does not currently have a written mandate or a written description for the Chair of the Board of Directors or the Chief Executive Officer. In discharging its responsibility, the Board of Directors reviews the performance and responsibilities of the President and Chief Executive Officer and oversees and reviews the development and implementation of the following significant corporate plans and initiatives:

- the Corporation's strategic planning and budgeting process;
- the identification of the principal risks to the Corporation's business and the implementation of systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- the Corporation's public communications policies and continuous disclosure record; and
- the Corporation's internal controls and management information systems.

The Board of Directors meets at least four times a year, and more frequently if required. In 2008, the Board of Directors met eleven times. In addition, the Board of Directors took three actions by written resolution. The Board of Directors has a regular policy of holding a portion of its quarterly meetings where management departs and the independent directors meet *in camera* and at such other meetings as the independent directors deem appropriate from time to time.

The Board of Directors recruit possible directors from contacts within the mining industry or other strategic areas that will compliment the knowledge and depth of the Board of Directors. The Board of Directors determined that six directors was an appropriate number of directors to oversee and provide guidance to management on the business and affairs of the Corporation.

In addition, new directors who join the Board of Directors are provided with a basic orientation of the Corporation, the Board of Directors, the committees of the Board of Directors and meet with the other directors prior to joining the Board of Directors. In addition, new directors have the opportunity to meet with management of the Corporation to have an understanding of the business of the Corporation and its operations. Directors are encouraged to participate in corporate governance and education courses that will assist them in their role as directors of the Corporation or on various committees.

Board Composition

As of the time of the Meeting, the Board of Directors is composed of six directors. All directors are elected annually.

The current slate of six directors includes Mr. W. William Boberg, the President and Chief Executive Officer of the Corporation, Dr. James Franklin, Mr. Jeffrey Klenda, Chair of the Board of Directors of the Corporation, Mr. Paul Macdonell, Mr. Robert Boaz and Mr. Thomas Parker. Messrs. Macdonell, Boaz and Parker are independent directors as determined by the CSA Guidelines (i.e., each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgment). Dr. Franklin is a consultant to several companies and received consulting fees of \$43,891 from the Corporation during 2008 and, therefore, is considered by the Board of Directors as being independent of management. Mr. Boaz has been working on the Ad Hoc Special Committee for Screech Lake and as such as received directors' fees, approved by the Board of Directors, in the amount of \$1,000 per day in respect of Mr. Boaz involvement in the Ad Hoc Special Committee. In 2008, Mr. Boaz received \$58,500 from the Corporation for his work with the Ad Hoc Committee in addition to his regular director fees. The Board of Directors considers Mr. Boaz to be independent. In determining whether a director is independent, the Board of Directors considers the specific circumstances of a director and the nature, as well as materiality, of any relationship between the director and the Corporation.

In November 2008, the Corporate Governance and Nominating Committee reviewed and discussed establishing the role of Lead Director of the Board of Directors. The Committee examined the functions customarily assigned to a director serving in the role of lead director and upon further review determined that the establishment of the role of Lead Director at the Corporation at this time would not enhance the communications within the board, among its committees, and with management.

Several of the directors are directors for other reporting issuers or the equivalent, as disclosed in the directors' biographies provided above.

Board Committees

There are four permanent Board of Directors committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Technical Committee (formerly known as the Geoscience Advisory and Oversight Committee). The Board of Directors may also appoint other temporary or permanent committees from time to time for particular purposes.

The following sets out the Report of the Audit Committee as well as a summary of the responsibilities and activities of the other Board of Directors committees.

Audit Committee

The Audit Committee assists the Board of Directors in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The duties and responsibilities of the Audit Committee include the following:

- reviewing for recommendation to the Board of Directors for its approval the principal documents comprising the Corporation's continuous disclosure record, including interim and annual financial statements and management's discussion and analysis;
- recommending to the Board of Directors a firm of independent auditors for appointment by the shareholders and reporting to the Board of Directors on the fees and expenses of such auditors. The Audit Committee has the authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Audit Committee has the authority to approve all audit engagement fees and terms and the Audit Committee, or a member of the Audit Committee, must review and pre-approve any non-audit services provided to the Corporation by the Corporation's independent auditor and consider the impact on the independence of the auditor;
- reviewing periodic reports from the Chief Financial Officer;
- discussing with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response; and
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

The Audit Committee maintains direct communication during the year with the Corporation's independent auditor and the Corporation's officers responsible for accounting and financial matters.

All of the members of the Audit Committee, Messrs. Macdonell, Boaz and Parker, are independent directors pursuant to *National Instrument 52-110 Audit Committees* ("NI 52-110") and the listing standards of the NYSE Amex. Each of the members is financially literate as defined in NI 52-110. The Audit Committee has designated Robert Boaz as an "audit committee financial expert" as that term is defined as currently defined by the rules of the US Securities and Exchange Commission regulating these disclosures. The members of the Audit Committee during 2008, and currently, are Thomas Parker (Chair, commencing May 2008), Robert Boaz and Paul Macdonell (Chair, January to May 2008).

Report of the Audit Committee

During 2008, the Audit Committee met five times. The activities of the Audit Committee over the past year included the following:

- reviewing annual financial statements of the Corporation and management's discussion and analysis prior to filing with the regulatory authorities;
- reviewing the quarterly interim financial statements of the Corporation and management's discussion and analysis prior to filing with regulatory authorities;
- reviewing periodic reports from the Chief Financial Officer;
- reviewing applicable Canadian corporate disclosure reporting and control processes, including Chief Executive Officer and Chief Financial Officer certification;
- reviewing Audit Committee governance practices to ensure its terms of reference incorporate all regulatory requirements; and

reviewing the engagement letter with the independent auditors and annual audit fees prior to approval by the Board of Directors, as well as pre-approving non-audit services and their cost prior to commencement.

The Audit Committee has reviewed and discussed with management and the independent auditors the Consolidated Financial Statements of the Corporation as at December 31, 2008 and Management's Discussion and Analysis. Based on that review and on the report of the independent auditor of the Corporation, the Audit Committee recommended to the Board of Directors that such Financial Statements and Management's Discussion and Analysis be approved and filed with Canadian regulatory authorities.

The Audit Committee has recommended to the Board of Directors that the shareholders of the Corporation be requested to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as the independent auditor for 2009.

The Audit Committee reviews its charter on a yearly basis. A copy of the Amended and Restated Audit Committee Charter adopted on August 7, 2008 is attached as an appendix to the Form 20-F (Annual Information Form) of the Corporation for the year ended December 31, 2008, which is available electronically at www.sedar.com. The Form 20-F (Annual Information Form) also contains disclosure relating to the composition of the Audit Committee and the qualifications of each of its members.

Compensation Committee

The Compensation Committee assists the Board of Directors in carrying out its responsibilities relating to personnel matters, including performance, compensation and succession. The Compensation Committee has prepared terms of reference which include annual objectives against which to assess members of management including the President and Chief Executive Officer, reviewing and making recommendations to the Board of Directors with respect to employee and consultant compensation arrangements including stock options and management succession planning. The Compensation Committee reviews its charter on a yearly basis.

The Compensation Committee met seven times in 2008. Portions of meetings are conducted without management present, including for the purpose of specifically discussing the compensation of the President and Chief Executive Officer. The members of the Committee during 2008, and currently, are Paul Macdonell (Chair), Thomas Parker and Robert Boaz. All the members of the Compensation Committee are independent pursuant to NI 52-110 and the listing standards of the NYSE Amex. James Franklin was an ex officio member of the Compensation Committee from July 2007 to January 28, 2008.

As part of the Compensation Committee's ongoing review of compensation of executive officers and directors of the Corporation, the Compensation Committee hired the consulting firm of 3XCD Inc. to conduct a review of the Corporation's current compensation model and to recommend changes including the implementation of short term and long term incentives for executive officers and employees within the Corporation. A more detailed description of the compensation recommendations is outlined under the heading "Compensation Discussion and Analysis".

Corporate Governance and Nominating Committee

The Board of Directors constituted a Corporate Governance and Nominating Committee on December 17, 2007. The Corporate Governance and Nominating Committee assists the Board of Directors with determining the slate of director nominees for election to the Board of Directors, recommending candidates to fill vacancies, the composition of the Committees of the Board of Directors and monitoring compliance with corporate governance regulatory requirements. The Corporate Governance and Nominating Committee

Charter was adopted by the Board of Directors on December 17, 2007. The Corporate Governance and Nominating Committee reviews its charter on a yearly basis.

The members of the Corporate Governance and Nominating Committee are Robert Boaz (Chair, commencing May 2008), Paul Macdonell (Chair, January 2008 to May 2008) and Thomas Parker. The Corporate Governance and Nominating Committee met four times in 2008. All members of the Corporate Governance and Nominating Committee are independent pursuant to NI 52-110.

Technical Committee

The Board of Directors constituted a Technical Committee (formerly known as the Geoscience Advisory and Oversight Committee) on January 29, 2008. The Technical Committee assists the Board of Directors in receiving, reviewing and evaluating the quality, effectiveness and progress of exploration and development projects. The Technical Committee also advises on matters related to new and updated technologies which may be employed by the Corporation and to review environmental matters and protocols with respect to the Corporation's projects. The Technical Committee "Mandate and Guidelines" document was adopted by the Board of Directors on January 29, 2008.

The members of the Technical Committee are James Franklin (Chair), Thomas Parker and W. William Boberg. There are several members of management and consultants who participate in the Technical Committee. The Technical Committee formally met one time in 2008, with multiple other informal meetings taking place on an as-needed basis. The members of the Technical Committee are not required to be independent pursuant to NI 52-110.

Ad Hoc Special Committee related to Screech Lake

As of December 2007, an Ad Hoc Committee on matters related to Screech Lake was constituted by the Board of Directors. The Ad Hoc Committee consists of Robert Boaz (Chair), James Franklin and Paul Pitman and certain members of management who participate in the Special Committee projects. The Ad Hoc Committee was established to explore, review and recommend to the Board of Directors various activities, methods and directions to advance the Corporation's project at Screech Lake in the Northwest Territories.

During 2008, Mr. Boaz on behalf of the Ad Hoc Special Committee and the Corporation has been involved in ongoing discussions with the Akaitcho First Nations and, in particular, the community of Lutsel K'e, with the objective, ultimately, of reaching one or more exploration agreements with the First Nations with respect to the Screech Lake property. Screech Lake is situated in the eastern Northwest Territories, on land claimed by the Akaitcho to be their traditional lands. The consultations of Mr. Boaz and others in management of the Corporation have included meetings with relevant government ministries and agencies such as the Indian and Northern Affairs Canada as well as the Northwest Territories & Nunavut Chamber of Mines. Consultations are continuing with an objective of signing exploration agreements with certain of the Akaitcho and other First Nations communities during 2009 which recognizes the concern over minimizing disruption due to exploration to wildlife, fishing, water quality and cultural values of the Akaitcho First Nations. Such agreements would facilitate the Corporation being able to re-submit an application to the Mackenzie Valley Land and Water Board for a drilling permit with the ultimate goal being able to conduct a drilling program and further exploration at the Screech Lake property. In addition to meetings with community representative and governmental authorities, the Ad Hoc Committee members have met, informally, and conferred with various members of management on numerous occasions.

Summary of Memberships on Permanent Committees and Record of Attendance for 2008

During the year ended December 31, 2008, the Board of Directors and its permanent committees held the following numbers of meetings:

Board of Directors	11 ⁽¹⁾
Audit Committee (“AC”)	5
Compensation Committee (“CC”)	7
Corporate Governance and Nominating Committee (“CGN”)	4
Total number of meetings held	28

(1) In addition to the eleven meetings held by the Board of Directors, three actions were taken by resolution in writing.

Director	Committee Memberships	Board Meetings Attended	Committee Meetings Attended
Jeffrey T. Klenda		11	
James M. Franklin	TC	8	TC – 1
Paul Macdonell	AC, CC, CGN	9	AC – 5, CC – 7, CGN – 4
Robert Boaz	AC, CC, CGN	11	AC – 5, CC – 7, CGN – 4
W. William Boberg	TC	11	TC- 1
Thomas Parker	AC, CC, CGN, TC	9	AC – 4, CC – 7, CGN- 4,TC -1

Other Policies

The Corporation adopted a written Code of Business Conduct and Ethics (the “Code”) on August 9, 2007 and amended and restated the Code on January 29, 2008 and August 7, 2008. All directors, officers and employees of the Corporation are expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. The Corporate Governance and Nominating Committee oversees the implementation of the Code and compliance with various regulatory requirements. The Amended and Restated Code of Business Conduct and Ethics is available at the Corporation’s website at www.ur-energy.com.

The Corporation also adopted various policies related to trading restrictions, disclosure requirements and confidentiality obligations on January 29, 2008. The Corporate Governance and Nominating Committee oversees the implementation and compliance of these policies. These policies, the “Ur-Energy Inc. Policies Concerning Confidentiality, Public Disclosure and Restrictions on Trading Securities” are available at the Corporation’s website. All directors, officers and employees of the Corporation are expected to be familiar with and adhere to the policies.

Shareholder Feedback

The Board of Directors believes that management should speak for the Corporation in its communications with shareholders and others in the investment community and that the Board of Directors should be satisfied that appropriate investor relations programs and procedures are in place. The Board of Directors has approved these policies including the designation of spokespersons of behalf of the Corporation from time to time. Management meets regularly with shareholders and others in the investment community to receive and respond to shareholder feedback.

The Board of Directors regularly reviews the Corporation's major communications with shareholders and the public, including continuous disclosure documents and periodic press releases in accordance with the Corporation's policies.

Expectations of Management

The Board of Directors believes that it is appropriate for management to be responsible for the development of long-term strategies for the Corporation. Meetings of the Board of Directors are held, as required, to specifically review and deal with long-term strategies of the Corporation as presented by senior members of management.

The Board of Directors appreciates the value of having selected executive officers attend board meetings to provide information and opinions to assist the directors in their deliberations. The Chair arranges for the attendance of executive officers as well as managers for consultation including technical presentations at board meetings in consultation with the President and Chief Executive Officer.

SHAREHOLDER PROPOSALS

All proposals of the Corporation's shareholders intended to be presented at the Corporation's annual and special meeting of shareholders in 2010, must be received by the Corporation's Corporate Secretary no later than January 15, 2010 for inclusion in the proxy circular related to that meeting. The Corporation's next annual and special meeting of shareholders is planned for April 2010.

ADDITIONAL INFORMATION

Additional financial information for the Corporation is available in the Corporation's audited consolidated financial statements for the year ended December 31, 2008 and related management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2008, which have been filed with Canadian securities regulators and are available under the Corporation's profile at www.sedar.com.

Upon request made to the Secretary of the Corporation at 10758 West Centennial Road, Suite 200, Littleton, Colorado 80127 USA Telephone: (720) 981-4588, the Secretary will provide a shareholder of the Corporation with a copy of its audited consolidated financial statements for the year ended December 31, 2008 and related management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2008.

APPROVAL BY BOARD OF DIRECTORS

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED at Denver, Colorado, this 18th day of March, 2009.

By Order of the Board of Directors

/s/ W. William Boberg

President and Chief Executive Officer

SCHEDULE A
RSU Plan Resolution

RESOLVED THAT:

1. the adoption of the Ur-Energy Inc. Restricted Share Unit Plan (the “RSU Plan”), which was adopted by resolution of the Board of Directors on February 5, 2009, be and is hereby confirmed and approved; and
2. any director or officer of the Corporation be and each of them is hereby authorized, for and on behalf of the Corporation, to do such things and to sign, execute and deliver all such documents that such director or officer may, in their discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

SCHEDULE B

Ur-Energy Inc.

Restricted Share Unit Plan

Effective February 5, 2009

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ARTICLE 1
GENERAL PROVISIONS

1.1 Purpose

This Restricted Share Unit Plan is established as a vehicle by which equity-based incentives may be awarded to retain employees, to recognize and reward their significant contributions to the long-term success of the Corporation including to align the employees and directors interests more closely with the shareholders of the Corporation.

1.2 Definitions

As used in the Plan, the following terms have the following meanings:

- (a) "Board" means the Board of Directors of the Corporation;
 - (b) "Change of Control" includes:
 - (i) the acquisition by any persons acting jointly or in concert (as determined by the Securities Act (Ontario)), whether directly or indirectly, of voting securities of the Corporation that, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 50% of all outstanding voting securities of the Corporation;
 - (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation that results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the corporation resulting from the business combination;
 - (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person, other than in the ordinary course of business of the Corporation or to a Related Entity; or
 - (iv) any other transaction that is deemed to be a "Change of Control" for the purposes of this Plan by the Board in its sole discretion.
 - (c) "Code" means the US Internal Revenue Code of 1986, as amended;
 - (d) "Committee" means the Compensation Committee of the Board or such other persons designated by the Board;
 - (e) "Common Share" means a common share in the capital of the Corporation;
 - (f) "Corporation" means Ur-Energy Inc. and its successors and assigns;
 - (g) "Director" means a non-Employee director of the Board of the Corporation;
 - (h) "Dividend" means a dividend declared and payable on a Common Share in accordance with the Corporation's dividend policy as the same may be amended from time to time (an "Ordinary Dividend"), and may, in the discretion of the Committee, include a special or stock dividend (a "Special Dividend") declared and payable on a Common Share;
-

- (i) “Eligible Person” means an Employee or a Director who is designated as an Eligible Person pursuant to Section 2.1;
- (j) “Employee” means an employee of the Corporation or a Subsidiary;
- (k) “Fair Market Value” means the closing price of the Common Shares on the Toronto Stock Exchange on the Business Day immediately prior to the Redemption Date, or if the shares are not listed on the Toronto Stock Exchange, then on such other stock exchange or quotation system as may be selected by the Committee, provided that, if the Common Shares are not listed or quoted on any other stock exchange or quotation system, then the Fair Market Value will be the value determined by the Committee in its sole discretion acting in good faith;
- (l) “Grant Date” means any date determined from time to time by the Committee as a date on which a grant of Restricted Share Units will be made to one or more Eligible Persons under this Plan;
- (m) “Plan” means the Ur-Energy Inc. Restricted Share Unit Plan, as amended from time to time;
- (n) “Redemption Date” in respect of any Restricted Share Unit means (A) 50% of such Restricted Share Unit on the first anniversary of the Grant Date on which such Restricted Share Unit was granted to the Eligible Person, and (B) 50% of such Restricted Share Unit on the second anniversary of the Grant Date on which such Restricted Share Unit was granted to the Eligible Person, unless (i) an earlier date has been approved by the Committee as the Redemption Date in respect of such Restricted Share Unit, or (ii) Section 0, 0, 0, or 0 is applicable, in which case the Redemption Date in respect of such Restricted Share Unit shall be the date established as such in accordance with the applicable Section; provided that, notwithstanding any other provision hereof, in no event will the Redemption Date in respect of any Restricted Share Unit be after the end of the calendar year which is three years following the end of the year in which services to which the grant of such Restricted Share Unit relates were performed by the Employee or Director to whom such Restricted Share Unit was granted;
- (o) “Reorganization” means any declaration of any stock dividend (other than a Special Dividend in respect of which the Committee, in its discretion, determines that Eligible Persons are to be paid a cash amount pursuant to Section 0), stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than Ordinary Dividends) of the Corporation assets to shareholders or any other similar corporate transaction or event which the Committee determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Eligible Persons under this Plan;
- (p) “Restricted Share Unit” means one notional Common Share (without any of the attendant rights of a shareholder of such Common Share, including the right to vote such Common Share and the right to receive dividends thereon, except to the extent otherwise specifically provided herein) credited by bookkeeping entry to a notional account maintained by the Corporation in respect of an Eligible Person in accordance with this Plan; and

(q) “Subsidiary” has the meaning set out in the *Securities Act* (Ontario).

1.3 Effective Date

The Plan shall be effective February 5, 2009 with respect to the Eligible Person payable commencing in and with respect to the 2009 fiscal year; provided that no Common Shares may be issued under the Plan until and unless all required regulatory and shareholder approvals have been obtained with respect to the issuance of Common Shares hereunder.

1.4 Governing Law; Subject to Applicable Regulatory Rules

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The provisions of the Plan shall be subject to the applicable by-laws, rules and policies of the Toronto Stock Exchange and applicable securities legislation.

**ARTICLE 2
ELIGIBILITY AND PARTICIPATION**

2.1 Eligibility

This Plan applies to those Employees and Directors whom the Committee designates as eligible for a grant of Restricted Share Units pursuant to Section 0. The Committee shall make such a designation prior to each Grant Date.

2.2 Rights Under the Plan

Subject to Sections 4 and 5, an Eligible Person who has been granted Restricted Share Units shall continue to have rights in respect of such Restricted Share Units until such Restricted Share Units have been redeemed for cash or shares in accordance with this Plan.

2.3 Copy of Plan

The Corporation shall provide each Eligible Person with a copy of this Plan following the initial grant of Restricted Share Units to such Eligible Person and shall provide each Eligible Person with a copy of all amendments to this Plan.

2.4 Limitation on Rights

Nothing in this Plan shall confer on any Employee or Director any right to be designated as an Eligible Person or to be granted any Restricted Share Units. There is no obligation for uniformity of treatment of Eligible Persons or any group of Employees, Directors or Eligible Persons, whether based on salary or compensation, grade or level or organizational position or level or otherwise. A grant of Restricted Share Units to an Eligible Person on one or more Grant Dates shall not be construed to create a right to a grant of Restricted Share Units on a subsequent Grant Date.

2.5 Grant Agreements

Each grant of Restricted Share Units shall be evidenced by a written agreement executed by the Eligible Person in substantially the form appended hereto. An Eligible Person will not be entitled

to any grant of Restricted Share Units or any benefit of this Plan unless the Eligible Person agrees with the Corporation to be bound by the provisions of this Plan. By entering into an agreement described in this Section 0, each Eligible Person shall be deemed conclusively to have accepted and consented to all terms of this Plan and all *bona fide* actions or decisions made by the Committee. Such terms and consent shall also apply to and be binding on the legal representative, beneficiaries, heirs and successors of each Eligible Person.

2.6 Maximum Number of Common Shares

Notwithstanding any provision herein, the aggregate number of Common Shares which may be issuable upon the redemption of all Restricted Share Units under the Plan, in combination with the aggregate number of Common Shares which may be issuable under any and all of the Corporation's equity incentive plans in existence from time to time, including the Corporation's Stock Option Plan 2005, shall not exceed ten percent (10%) of the issued and outstanding shares of the Corporation as at the Grant Date of each Restricted Share Unit under the Plan or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the rules or policies of the Toronto Stock Exchange or any other stock exchange on which the Common Shares of the Corporation may then be listed, and by the shareholders of the Corporation. No fractional Common Shares may be issued under the Plan.

**ARTICLE 3
RESTRICTED SHARE UNITS**

3.1 Grant of Restricted Share Units

On each Grant Date, the Committee shall designate Eligible Persons and determine the number of Restricted Share Units to be granted to each Eligible Person in the Committee's sole discretion.

3.2 Redemption of Restricted Share Units

- (a) Unless redeemed earlier in accordance with this Plan, the Restricted Share Units of each Eligible Person will be redeemed on or within thirty (30) days after the Redemption Date for cash or Common Shares, as determined by the Committee, for an amount equal to the Fair Market Value of a Restricted Share Unit.
- (b) If the Committee determines that any Restricted Share Units are to be redeemed for Common Shares, the Eligible Person will be entitled to receive and the Corporation will issue to the Eligible Person a number of Common Shares equal to the Fair Market Value of the Restricted Share Units (net of any applicable statutory withholdings) that have vested on the Redemption Date.

3.3 Compliance With Tax Requirements

In taking any action hereunder, or in relation to any rights hereunder, the Corporation and each Eligible Person shall comply with all provisions and requirements of any income tax, pension plan, or employment or unemployment insurance legislation or regulations of any jurisdiction which may be applicable to the Corporation or Eligible Person, as the case may be. The Corporation shall have the right to deduct from all payments made to the Employee in respect of the Restricted Share Units, whether in cash or Common Shares, any federal, provincial, local,

foreign or other taxes, Canadian Pension Plan or Employment Insurance Commission or other deductions required by law to be withheld with respect to such payments. The Corporation may take such other action as the Board or the Committee may consider advisable to enable the Corporation and any Eligible Person to satisfy obligations for the payment of withholding or other tax obligations relating to any payment to be made under this Plan. Each Eligible Person (or the heirs and legal representatives of the Eligible Person) shall bear any and all income or other tax imposed on amounts paid to the Eligible Person (or the heirs and legal representatives of the Eligible Person) under this Plan, including any taxes, interest or penalties resulting from the application of Section 409A of the Code. If the Board or the Committee so determines, the Corporation shall have the right to require, prior to making any payment under this Plan, payment by the recipient of the excess of any applicable Canadian or foreign federal, provincial, state, local or other taxes over any amounts withheld by the Corporation, in order to satisfy the tax obligations in respect of any payment under this Plan. If the Corporation does not withhold from any payment, or require payment of an amount by a recipient, sufficient to satisfy all income tax obligations, the Eligible Person shall make reimbursement, on demand, in cash, of any amount paid by the Corporation in satisfaction of any tax obligation. Notwithstanding any other provision hereof, in taking such action hereunder, the Board and the Committee shall endeavour to ensure that the payments to be made hereunder will not be subject to the “salary deferral arrangement” rules under the *Income Tax Act* (Canada), as amended, or income tax legislation of any other jurisdiction.

3.4 Payment of Dividend Equivalents

When Dividends are paid on Common Shares, an Eligible Person shall be credited with Dividend equivalents in respect of the Restricted Share Units credited to the Eligible Person’s account as of the record date for payment of Dividends. Such Dividend equivalents shall be converted into additional Restricted Share Units (including fractional Restricted Share Units) based on the Fair Market Value per Common Share on the date credited.

3.5 Adjustments

If any change occurs in the outstanding Common Shares by reason of a Reorganization, the Committee, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Committee may consider equitable, to reflect such change or event including, without limitation, adjusting the number of Restricted Share Units credited to Eligible Persons and outstanding under the Plan, provided that any such adjustment will not otherwise extend the Redemption Date otherwise applicable. The Corporation shall give notice to each Eligible Person of any adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes. The existence of outstanding Restricted Share Units shall not affect in any way the right or power and authority of the Corporation or its shareholders to make or authorize any alteration, recapitalization, reorganization or any other change in the Corporation’s capital structure or its business or any merger or consolidation of the Corporation, any issue of bonds, debentures or preferred or preference shares (ranking ahead of the Common Shares or otherwise) or any right thereto, or the dissolution or liquidation of the Corporation, any sale or transfer of all or any part of its assets or business or any corporate act or proceeding whether of a similar character or otherwise.

3.6 Offer for Common Shares – Change of Control

Notwithstanding anything else herein to the contrary, in the event of a Change of Control, then the Corporation shall redeem 100% of the Restricted Share Units granted to the Eligible Persons and outstanding under the Plan as soon as reasonably practical, but no later than thirty (30) days following the Redemption Date for cash. For the purposes of this Section 0: (i) the Redemption Date shall be the date on which the Change of Control occurs, and (ii) the Fair Market Value of a Restricted Share Unit shall be the greater of (i) the closing price per Common Share on the Toronto Stock Exchange on the Business Day immediately preceding the Redemption Date, and (ii) the price at which Common Shares are taken up under the Change of Control, as applicable.

ARTICLE 4 EVENTS AFFECTING ENTITLEMENT

4.1 Termination of Employment or Election as a Director

- (a) Voluntary Termination or Termination for Cause. If an Eligible Person is terminated by the Corporation for cause (as determined by the Corporation), or if an Eligible Person, voluntarily terminates employment for any reason or resigns as a Director, as applicable, all of the Eligible Person's Restricted Share Units shall be cancelled and no amount shall be paid by the Corporation to the Eligible Person in respect of the Restricted Share Units so cancelled.
- (b) Involuntary Termination. The Restricted Share Units of an Eligible Person, other than a Director, who is involuntarily terminated by the Corporation, for reasons other than cause, shall be redeemed for cash at the Fair Market Value of a Restricted Share Unit on the Redemption Date. For the purposes of this Section 0, the Redemption Date shall be the date on which the employment of the Eligible Person, other than a Director, is terminated irrespective of any entitlement of the Eligible Person to notice, pay in lieu of notice or benefits beyond the termination date.
- (c) Termination related to Directors. The Restricted Share Units of a Director, who is not re-elected at an annual or special meeting of shareholders shall be redeemed for cash at the Fair Market Value of a Restricted Share Unit on the Redemption Date. For purposes of this Section 4.1(c), the Redemption Date shall be the date on which the annual or special meeting is held.

4.2 Death

All of the Restricted Share Units of an Eligible Person who dies shall be redeemed in accordance with Section 0. For the purposes of the foregoing, the Redemption Date shall be the date of the Eligible Person's death.

4.3 No Grants Following Last Day of Active Employment

In the event of termination of any Eligible Person's employment with the Corporation, such Eligible Person shall not be granted any Restricted Share Units pursuant to Section 0 after the last day of active employment of such Eligible Person. Without limiting the generality of the foregoing and of Section 0, notwithstanding any other provision hereof, and notwithstanding any provision of any employment agreement between any Eligible Person and the Corporation, no Eligible Person will have any right to be awarded additional Restricted Share Units, and shall not

be awarded any Restricted Share Units, pursuant to Section 0 after the last day of active employment of such Eligible Person on which such Eligible Person actually performs the duties of the Eligible Person's position, whether or not such Eligible Person receives a lump sum payment of salary or other compensation in lieu of notice of termination, or continues to receive payment of salary, benefits or other remuneration for any period following such last day of active employment. Notwithstanding any other provision hereof, or any provision of any employment agreement between the Corporation and an Eligible Person, in no event will any Eligible Person have any right to damages in respect of any loss of any right to be awarded Restricted Share Units pursuant to Section 0 after the last day of active employment of such Eligible Person and no severance allowance, or termination settlement of any kind in respect of any Eligible Person will include or reflect any claim for such loss of right and no Eligible Person will have any right to assert, claim, seek or obtain, and shall not assert, claim, seek or obtain, any judgment or award in respect of or which includes or reflects any such right or claim for such loss of right.

ARTICLE 5 ADMINISTRATION

5.1 Transferability

Rights respecting Restricted Share Units shall not be transferable or assignable other than by will or the laws of decent and distribution.

5.2 Administration

The Committee shall, in its sole and absolute discretion, but subject to applicable corporate, securities and tax law requirements: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration and operation of the Plan. The Committee may delegate to any person any administrative duties and powers under this Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Person and his or her legal representative. The Board may establish policies respecting minimum ownership of Common Shares of the Corporation by Eligible Persons and the ability to elect Restricted Share Units to satisfy any such policy.

5.3 Records

The Corporation will maintain records indicating the number of Restricted Share Units credited to an Eligible Person under the Plan from time to time and the Grant Dates of such Restricted Share Units. Such records shall be conclusive as to all matters involved in the administration of this Plan.

5.4 Statements

The Corporation shall furnish annual statements to each Eligible Person indicating the number of Restricted Share Units credited to the Eligible Person and the Grant Dates of the Restricted Share Units and such other information that the Corporation considers relevant to the Eligible Person.

5.5 Legal Compliance

Without limiting the generality of the foregoing, the Committee may take such steps and require such documentation from Eligible Persons as the Committee may determine are desirable to ensure compliance with all applicable laws and legal requirements, including all applicable corporate and securities laws and regulations of any country, and any political subdivisions thereof, and the by-laws, rules and regulations of any stock exchanges or other organized market on which Common Shares may from time to time be listed or posted and any applicable provisions of the *Income Tax Act* (Canada), as amended or income tax legislation or any other jurisdiction.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment

- (a) The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders. Notwithstanding the foregoing, the Corporation will be required to obtain the approval of holders of a majority of shares present and voting in person or by proxy at a meeting of the shareholders of the Corporation for any amendment related to:
 - (i) the percentage of the issued and outstanding Common Shares available to be granted under the Plan;
 - (ii) a change in the method of calculation of redemption of Restricted Share Units held by Eligible Persons; and
 - (iii) an extension to the term for redemption of Restricted Share Units held by Eligible Persons.
- (b) Unless an Eligible Person otherwise agrees, any amendment to the Plan or Restricted Share Unit shall apply only in respect of Restricted Share Units granted on or after the date of such amendment.
- (c) Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan, without obtaining shareholder approval:
 - (i) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including the rules of the TSX, in place from time to time;
 - (ii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
 - (iii) amendments to the provisions of the Plan respecting the terms and conditions on which Restricted Share Units may be granted pursuant to the Plan, including the provisions relating to the payment of the Restricted Share Units; and
 - (iv) amendments to the Plan that are of a “housekeeping” nature.

6.2 Termination of Plan

The Board may from time to time amend or suspend this Plan in whole or in part and may at any time terminate this Plan. No such amendment, suspension or termination shall adversely affect the rights of any Eligible Person at the time of such amendment, suspension or termination with respect to outstanding and unredeemed Restricted Share Units credited to such Eligible Person without the consent of the affected Eligible Person. If the Board terminates the Plan, no new Restricted Share Units will be awarded to any Eligible Person, but outstanding and unredeemed previously credited Restricted Share Units shall remain outstanding, be entitled to payments as provided under Section 0, and be paid in accordance with the terms and conditions of this Plan existing at the time of termination. This Plan will finally cease to operate for all purposes when the last remaining Eligible Person receives a payment in satisfaction of all outstanding and unredeemed Restricted Share Units credited to such Eligible Person, or all outstanding and unredeemed Restricted Share Units credited to such Eligible Person are cancelled pursuant to the provisions thereof.

ARTICLE 7 GENERAL

7.1 Rights to Common Shares

This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, except as expressly provided herein. A holder of Restricted Share Units shall not have rights as a shareholder of the Corporation with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

7.2 No Right to Employment

This Plan shall not be interpreted as either an employment or trust agreement. Nothing in this Plan nor any Committee guidelines or any agreement referred to in Section 0 nor any action taken hereunder shall be construed as giving any Eligible Person the right to be retained in the continued employ or service of the Corporation or any of its subsidiaries, or giving any Eligible Person or any other person the right to receive any benefits not specifically expressly provided in this Plan nor shall it interfere in any way with any other right of the Corporation to terminate the employment or service of any Eligible Person at any time.

7.3 Right to Funds

Neither the establishment of this Plan nor the granting of Restricted Share Units under this Plan shall be deemed to create a trust. Amounts payable to any Eligible Person under the Plan shall be a general, unsecured obligation of the Corporation. The right of the Employee to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Corporation.

7.4 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and an Eligible Person, including without limitation, the estate of such Eligible Person and the legal representative of such estate, or any receiver or trustee in bankruptcy or representative of the Corporation's or Eligible Person's creditors.

7.5 Severability

If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

7.6 Code Section 409A

The payments hereunder in redemption of the Restricted Share Units are intended to be exempt from the provisions of Section 409A of the Code, as all such payments will be made no later than the 15th day of the third month after the later of (i) the first calendar year in which the Eligible Person's right to the payment is no longer subject to a substantial risk of forfeiture or (ii) the first taxable year of the Corporation in which the Eligible Person's right to payment is no longer subject to a substantial risk of forfeiture. Notwithstanding the foregoing, neither the Corporation, nor its subsidiaries or affiliates, nor any of their officers, directors, employees or representatives shall be liable to the Eligible Person for any interest, taxes or penalties resulting from non-compliance with Section 409A of the Code.

RESTRICTED SHARE UNIT GRANT AGREEMENT

RESTRICTED SHARE UNIT PLAN OF UR-ENERGY

This Restricted Share Unit Grant Agreement is made as of the ___ day of _____, 20__ between _____, the undersigned "Eligible Person" (the "Eligible Person"), being an employee or director of Ur-Energy Inc. (the "Corporation"), named or designated pursuant to the terms of the Restricted Share Unit Plan of Ur-Energy Inc. (which Plan, as the same may from time to time be modified, supplemented or amended and in effect is herein referred to as the "Plan"), and the Corporation.

In consideration of the grant of Restricted Share Units made to the Eligible Person pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), the Eligible Person hereby agrees and confirms that:

3. The Eligible Person has received a copy of the Plan and has read, understands and agrees to be bound by the provisions of the Plan.
4. The Eligible Person accepts and consents to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of the Plan and all *bona fide* actions or decisions made by the Board, the Committee, or any person to whom the Committee may delegate administrative duties and powers in relation to the Plan, which terms and consent shall also apply to and be binding on the legal representatives, beneficiaries and successors of the undersigned.
5. On _____, 20__, the Eligible Person was granted _____ Restricted Share Units, which grant is evidenced by this Agreement.
6. This Restricted Share Unit Grant Agreement shall be considered as part of and an amendment to the employment agreement between the Eligible Person and the Corporation and the Eligible Person hereby agrees that the Eligible Person will not make any claim under that employment agreement for any rights or entitlement under the Plan or damages in lieu thereof except as expressly provided in the Plan.

This Agreement shall be determined in accordance with the laws of Ontario and the laws of Canada applicable therein.

Words used herein which are defined in the Plan shall have the respective meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, Ur-Energy Inc. has executed and delivered this Agreement, and the Eligible Person has signed, sealed and delivered this Agreement, as of the date first above written.

UR-ENERGY INC.

Per:

ELIGIBLE PERSON

PRINT NAME:

SCHEDULE C
Rights Plan Resolution

RESOLVED THAT:

1. the shareholder rights plan agreement dated as of November 7, 2008 between the Corporation and Equity Transfer & Trust Company is hereby ratified and confirmed; and
2. any officer or director is hereby authorized to execute and deliver any documents, instruments or other writings and to do all other acts that may be necessary or desirable to give effect to the foregoing resolution.

SCHEDULE D
Description of Rights Plan

The following is a summary of the principal terms of the Rights Plan, which summary is qualified by and is subject to the full terms and conditions of the Rights Plan. Except as otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Rights Plan.

Issue of Rights

Shareholder rights plans involve the distribution of securities in the form of rights granted one for one in respect of each outstanding share. In the case of the Rights Plan, effective as of November 7, 2008 (the "Effective Date"), one right (a "Right") was issued and attached to each outstanding common share of the Corporation. One Right will also be issued and attach to each common share of the Corporation issued thereafter, subject to the limitations set forth in the Rights Plan. The Rights will trade attached to the common shares until the occurrence of a triggering event whereupon the Rights detach from the common shares and become tradable as separate securities.

Acquiring Person

An "Acquiring Person" is a person that Beneficially Owns 20% or more of the outstanding common shares. An Acquiring Person does not, however, include any person that becomes the Beneficial Owner of 20% or more of the common shares as a result of certain exempt transactions. These exempt transactions include, among others, acquisitions by investment managers, pension plans and other similar entities with no present intention to take control of the Corporation.

Rights Exercise Privilege

The Rights will trade separately from the common shares to which they are attached and will become exercisable from and after the Separation Time. The "Separation Time" is the earlier of (A) the close of business on the tenth trading day after the earlier of (i) the date of public announcement by the Corporation or an Acquiring Person of facts indicating that a person has become an Acquiring Person, (ii) the date of the commencement of, or first public announcement of the intent of any person (other than the Corporation or any subsidiary of the Corporation) to commence, a take-over bid (other than a Permitted Bid or Competing Permitted Bid); and (iii) two days following the date on which a Permitted Bid or Competing Permitted Bid ceases to be such; and (B) in the case of (ii) or (iii) above, any later business day as may be determined at any time or from time to time by the Board. If any take-over bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such take-over bid shall be deemed for the purposes of the definition of Separation Time never to have been made.

Flip-In Event

A transaction in which a person becomes an Acquiring Person is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by the Corporation or an Acquiring Person that an Acquiring Person has become such, will become void upon the occurrence of a Flip-in Event. Subject to adjustment as provided in the Rights Plan, each Right will entitle the holder to purchase one common share for an exercise price (the "Exercise Price") equal to \$100. After the close of business on the tenth business day after the first public announcement of the occurrence of a Flip-in Event, the Rights (other than those held by the Acquiring Person) will entitle the holder to purchase, for the Exercise Price, that number of common shares having an aggregate market price (based on the prevailing market price at the time of the occurrence of the Flip-in Event) equal to twice the Exercise Price. For example, if at the time of the occurrence of a Flip-in Event, the Exercise Price is \$100 and

the common shares have a market price of \$10, the holder of each Right would be entitled, upon payment of \$100 to receive 20 common shares at an effective price of \$5 per common share, being 50% discount to the then market price.

Impact Once Rights Plan is Triggered

Upon a Flip-in Event occurring and the Rights separating from the attached common shares, reported earnings per common share on a fully diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution. The consequence of a Flip-in Event, for all practical purposes, is to ensure that potential Acquiring Persons deal with and obtain the concurrence of the Board or proceed by way of a Permitted Bid. By permitting holders of Rights other than an Acquiring Person to acquire common shares of the Corporation at a discount to market value, the Rights may cause substantial dilution to a person or group that acquires 20% or more of the common shares of the Corporation other than by way of a Permitted Bid or Competing Permitted Bid or other than in circumstances where the Rights are redeemed or the Board waives the application of the Rights Plan.

Certificates and Transferability

Prior to the Separation Time, certificates for common shares will also evidence one Right for each common share represented by the certificate. Certificates issued after the Effective Date will bear a legend to this effect. Rights are also attached to common shares outstanding at the close of business on the Effective Date, although share certificates issued as at that date will not bear such a legend. Prior to the Separation Time, Rights will not be transferable separately from the attached common shares. From and after the Separation Time, the Rights will be evidenced by rights certificates which will be transferable and traded separately from the common shares.

Permitted Bids

The Rights Plan is not triggered if an offer would allow sufficient time for the shareholders to consider and react to the offer and would allow shareholders to decide to tender or not tender without the concern that they will be left with illiquid common shares should they not tender.

A “Permitted Bid” is a take-over bid where the bid is made by way of a take-over bid circular and is a bid that complies with the following: (A) the take-over bid must be made to all shareholders other than the bidder; and (B) (i) the take-over bid must not permit the bidder to take up any common shares that have been tendered pursuant to the take-over bid prior to the expiry of a period not less than 60 days after the take-over bid circular is sent to shareholders, and (ii) then only if at such time more than 50% of the common shares held by the independent shareholders (which term generally includes shareholders other than the bidder, its affiliates, associates and persons acting jointly or in concert with the bidder), have been deposited or tendered pursuant to the take-over bid and not withdrawn.

A “Competing Permitted Bid” is a take-over bid that satisfies all the criteria of a Permitted Bid except that since it is made after a Permitted Bid the time period for any take up and payment of common shares tendered under a Competing Bid is not 60 days, but is instead no earlier than the later of 35 days after the date of announcement of the Competing Permitted Bid and the earliest date for take up and payment of common shares under any other Permitted Bid or Competing Permitted Bid then in existence. Permitted Bids and Competing Permitted Bids are not required to be approved by the Board and such bids may be made directly to shareholders. Acquisitions of common shares made pursuant to a Permitted Bid or a Competing Permitted Bid do not give rise to a Flip-in Event.

Waiver and Redemption

The Board may, prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event which would occur as a result of a take-over bid made under a circular prepared in accordance with applicable securities laws to all holders of common shares. In such event, the Board shall be deemed to also have waived the application of the Rights Plan to any other Flip-in Event occurring as a result of any other takeover bid made under a circular prepared in accordance with applicable securities laws to all holders of common shares prior to the expiry of any take-over bid for which the Rights Plan has been waived or deemed to have been waived. Until the occurrence of a Flip-in Event, the Board may with the prior written consent of the shareholders waive the application of the Rights Plan to a particular Flip-in Event that would occur by reason of an acquisition of common shares otherwise than pursuant to a take-over bid made under a circular prepared in accordance with applicable securities laws to all holders of common shares.

The Board may also waive the application of the Rights Plan to any inadvertent Flip-In Event on the condition that the person who inadvertently triggered the Flip-In Event reduces its beneficial ownership of common shares such that such person is no longer an Acquiring Person. Until the occurrence of a Flip-in Event, the Board may with the prior written consent of the shareholders or, prior to the Separation Time, the holders of Rights elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 (subject to adjustment) per Right. In the event that a person acquires common shares pursuant to a Permitted Bid, Competing Permitted Bid or pursuant to take-over made by way of a take-over bid circular for which the Board has waived the application of the Rights Plan, then the Board shall, immediately upon the consummation of such acquisition, without further formality, be deemed to have elected to redeem the Rights at the redemption price.

Supplement and Amendments

Prior to the ratification and confirmation of the Rights Plan by shareholders, the Corporation may, without the approval of holders of common shares or Rights, amend, supplement or restate the Rights Plan in order to make any changes which the Board acting in good faith may deem necessary or desirable. Following shareholder ratification and confirmation of the Rights Plan, the Corporation may, without the approval of the holders of common shares or Rights, make amendments to (i) correct clerical or typographical errors and (ii) to maintain the validity and effectiveness of the Rights Plan as a result of any change in applicable law, rule or regulatory requirement. Any amendment referred to in (ii) must, if made before the Separation Time, be submitted for approval to the holders of common shares at the next meeting of shareholders and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Time, the Corporation may with prior written consent of the shareholders amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally, in order to effect any amendments, variations or rescissions of any of the provisions of this Agreement which the Board, acting in good faith, considers necessary or desirable. At any time after the Separation Time, the Corporation may with prior written consent of the holders of Rights amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the Rights generally.

UR-ENERGY INC.
Suite 200, 10758 West Centennial Road, Littleton, Colorado, 80127

PROXY

PROXY, SOLICITED BY THE MANAGEMENT OF THE CORPORATION, for the Annual and Special Meeting of Shareholders to be held on Tuesday, April 28, 2009. The undersigned Shareholder of Ur-Energy Inc., (the "Corporation") hereby appoints Jeffrey T. Klenda, or failing him, W. William Boberg or instead of either of them, as proxy, with power of substitution, to attend and vote for the undersigned at the Annual and Special Meeting of Shareholders of the Corporation to be held at Hampton Inn & Suites, 7611 Shaffer Parkway, Littleton, Colorado, 80127 at 1:00 p.m. (MDT) on Tuesday, April 28, 2009 and at any adjournments thereof, and without limiting the general authorization and power hereby given, the persons named above are specifically directed to vote as follows:

1. FOR () or WITHHOLD () Election of the directors as nominated by Management as listed (Instructions: To withhold authority to vote for any individual nominee strike a line through the nominee's name listed below):

Jeffrey T. Klenda
Thomas Parker

W. William Boberg
James M. Franklin

Paul Macdonell
Robert Boaz

2. FOR () or WITHHOLD () Re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Corporation for the ensuing year and authorizing the directors to fix their remuneration.

3. FOR () or AGAINST () Approval of the RSU Plan Resolution approving the adoption of the Ur-Energy Inc. Restricted Share Unit Plan.

4. FOR () or AGAINST () Approval of the Rights Plan Resolution ratifying and confirming the Corporation's shareholder rights plan agreement.

TO BE VALID, THIS PROXY MUST BE RECEIVED BY THE CORPORATION, OR ITS AGENT, EQUITY TRANSFER & TRUST COMPANY, 200 UNIVERSITY AVENUE, SUITE 400, TORONTO, ONTARIO, M5H 4H1, ATTENTION: PROXY DEPARTMENT OR BY FAX AT 1-416-595-9593 NOT LATER THAN 5:00 P.M. (MDT), ON MONDAY, APRIL 27, 2009. VOTING ON THE INTERNET IS ALSO AVAILABLE SEE www.voteproxyonline.com.

**This proxy revokes and supersedes all proxies of earlier date
THIS PROXY MUST BE DATED.**

DATED this day of , 2009

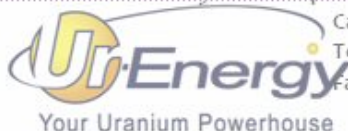
Signature of Shareholder

Colorado Office

10758 W. Centennial Rd., Ste. 200
Littleton, CO 80127
Tel: (866) 981-4588
Fax: (720) 981-5643

Wyoming Office

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March 23, 2009

Dear Shareholder:

Enclosed are the documents relating to the 2008 Annual and Special Meeting of Shareholders for Ur-Energy Inc. This is our fourth annual meeting since becoming a public company. Although 2008 brought turmoil to the credit, housing and stock markets, Ur-Energy ended the year in a strong position. At year's end the Company had a cash position of approximately C\$65 million with which to advance our robust uranium project at Lost Creek, Wyoming. Our cash on hand is sufficient to get Lost Creek into production in late 2010. We are proud to continue to say that we have one of the finest technical teams among the uranium juniors. We are excited to highlight some of our 2008 activities and to share our plans for 2009 with you.

During 2008, Ur-Energy achieved a number of important milestones. Most importantly, the Company made significant advances towards the commencement of production on the Lost Creek Project in Wyoming by: having its Nuclear Regulatory Commission (NRC) Source Material License application and Wyoming Department of Environmental Quality (WDEQ) Permit to Mine application both deemed complete and moved into the technical review phase; starting the production area Underground Injection Control (UIC) Permit and the Deep Disposal Well UIC Permit processes; completing delineation of Mine Unit #1 and a portion of Mine Unit #2; continuing exploration efforts towards identifying potential extensions of mineral trends; completing the detailed engineering design with specifications and construction plans for the processing plant facility; and adding to the engineering and geology development and production staff. The Company began trading on NYSE Amex; re-aligned its budget in accord with current market conditions and our amended timeline to production; discovered several new targets that may potentially increase resources; and, adopted a Shareholder Rights Plan.

We also completed an in-house economic analysis on the Lost Creek Project and subsequently obtained an NI 43-101 Preliminary Assessment from Lyntek Inc. This Preliminary Assessment showed the project to be "robust" and economically viable at uranium prices above US\$40 per pound. According to uranium spot price forecasts, an average of approximately US\$50/lb is expected in 2009 and may rise to US\$70/lb by the end of 2010. The financial crisis forced speculators to sell their uranium inventory and by the end of 2008, utilities with available funds had taken advantage of troubled sellers to increase their inventories. This resulted in significantly lower spot market volumes and fewer buyers for uranium at the spot price, dropping the uranium spot price to US\$43/lb and the long term contract price to US\$70/lb by March 2009.

In September 2008, Ur-Energy adjusted its production timeline for Lost Creek because of NRC's six month delay in completing its new guidance, known as the Generic Environmental Impact Statement (GEIS). The GEIS will be utilized for processing all in-situ leaching/recovery project applications. The GEIS was originally scheduled for completion in January 2009; but, in July 2008, the estimated completion date was changed to June 2009. As a result, the Company's

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production timeline moved from late-2009 to late-2010. The Company recently determined that the new timeline is expected to result in reduced capital development costs.

For 2009, delineation drilling will continue for the completion of Lost Creek Mine Unit #2, as well as testing the extent and economic potential of the underlying KM horizon but within the areas of Mine Units #1 and #2. The 2009 planned installation of regional baseline wells for the KM Horizon has already been completed, and will enable the gathering of baseline data to add the KM Horizon to the Lost Creek licenses.

This January, with the completion of the state-of-the-art design and specifications for all components of the Lost Creek ISR Plant and Mine Unit #1, Ur-Energy began the preparation of the necessary bid documents for soliciting firm bids for the components to complete the construction of the plant and Mine Unit #1. The processing plant will have a two-million-pound-per-year capacity. Plant and mine construction will begin upon receipt of the necessary permits and licenses, weather permitting. The Company does not anticipate any further delays in the permitting and licensing process and currently expects the WDEQ Permit to Mine will be granted in late 2009. Unless site specific issues are raised, the NRC expects to complete the licensing, with the aid of the GEIS, and issue the Source Material License for the Lost Creek Project in late 2009. A late 2010 start-up of production is planned with a ramp up to full production in 2011 to 1 million pounds per year from the Lost Creek Project.

We have elected to submit the NRC and WDEQ license applications for the Lost Soldier Project after Lost Creek's NRC Source Material License is granted. This will allow the Lost Soldier Project to be included as an amendment to the Lost Creek license(s), making for a more efficient application process which should result in a more rapid completion. Further geologic studies focusing on detailed mapping of Lost Soldier's roll-front geology began in 2008. These studies will be followed by detailed engineering and mine design planning and a preliminary assessment in 2009.

The year 2009 opens a new window of opportunity for Ur-Energy. Unfunded capital expenditure requirements among the juniors, the global recession and ever-increasing world nuclear demand places Ur-Energy in a position to capitalize on the opportunities that 2009 will bring as we continue to move toward production. Our financial strength, outstanding technical and support team and executable business plan enables us to grow during difficult times. We appreciate the support of our existing shareholders and invite new investors to take a look at this truly special company.

Yours truly,



W. William Boberg
President & CEO



Jeffrey T. Klenda
Chairman of the Board

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www.ur-energy.com

Ur-Energy Inc.
(a Development Stage Company)

Management's Discussion and Analysis

December 31, 2008

(expressed in Canadian dollars)

UR-ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2008
(Information as at March 18, 2009 unless otherwise noted)

Introduction

The following provides management's discussion and analysis of results of operations and financial condition for the years ended December 31, 2008, 2007 and 2006. Management's Discussion and Analysis was prepared by Company management and approved by the Board of Directors on March 18, 2009. This discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2008, 2007 and 2006. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles.

In December 2008, the Company changed its policy for accounting for exploration and development expenditures. In prior years, the Company capitalized all direct exploration and development expenditures. Under its new policy, exploration, evaluation and development expenditures, including annual exploration license and maintenance fees, are charged to earnings as incurred until the mineral property becomes commercially mineable. Management considers that a mineral property will become commercially mineable when it can be legally mined, as indicated by the receipt of key permits. This change has been applied retroactively and all comparative amounts in this Management's Discussion and Analysis ("MD&A") have been restated to give effect to this change. These changes are discussed more fully under the heading "Changes in Accounting Policies Including Initial Adoption".

The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. 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; The Bootheel Project, LLC; NFUR Bootheel, LLC; Hauber Project LLC; NFUR Hauber, LLC; ISL Resources Corporation; ISL Wyoming, Inc.; and CBM-Energy Inc. All inter-company balances and transactions have been eliminated upon consolidation. Ur-Energy Inc. and its wholly-owned subsidiaries are collectively referred to herein as the "Company".

Forward-Looking Information

This Management's Discussion and Analysis contains "forward-looking statements" within the meaning of applicable United States and Canadian securities laws. Shareholders can identify these forward-looking statements by the use of words such as "expect", "anticipate", "estimate", "believe", "may", "potential", "intends", "plans" and other similar expressions or statements that an action, event or result "may", "could" or "should" be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) the Company's belief that it will have sufficient cash to fund its capital requirements; (ii) receipt of (and related timing of) a US Nuclear Regulatory Commission ("NRC") Source Material License, Wyoming Department of Environmental Quality ("WDEQ") Permit and License to Mine and other necessary permits related to Lost Creek; (iii) Lost Creek and Lost Soldier will advance to production and the production timeline at Lost Creek scheduled for late 2010; (iv) production rates, timetables and methods at Lost Creek and Lost Soldier; (v) the Company's procurement plans and construction plans at Lost Creek; (vi) the licensing

process at Lost Soldier which efforts are expected to be streamlined; (vii) the timing, the mine design planning and the preliminary assessment at Lost Soldier; (viii) the completion and timing of various exploration programs and (ix) the regulatory issues with the Thelon Basin Properties and related exploration. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with start up), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals; expansion and growth of the business and operations; plans and references to the Company's future successes; the Company's history of operating losses and uncertainty of future profitability; the Company's status as an exploration and development stage company; the Company's lack of mineral reserves; the hazards associated with mining construction and production; compliance with environmental laws and regulations; risks associated with obtaining permits in Canada and the United States; risks associated with current variable economic conditions; the possible impact of future financings; uncertainty regarding the pricing and collection of accounts; risks associated with dependence on sales in foreign countries; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with the Canadian Revenue Agency's audit of any of the Company's cross border transactions; adverse changes in general business conditions in any of the countries in which the Company does business; changes in the Company's size and structure; the effectiveness of the Company's management and its strategic relationships; risks associated with the Company's ability to attract and retain key personnel; uncertainties regarding the Company's need for additional capital; uncertainty regarding the fluctuations of the Company's quarterly results; uncertainties relating to the Company's status as a non-U.S. corporation; uncertainties related to the volatility of the Company's shares price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Company's listing on the NYSE Amex (the "NYSE Amex") and Toronto Stock Exchange (the "TSX"); risks associated with the Company's possible status as a "passive foreign investment company" or 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 Report on Form 20-F (Annual Information Form) dated March 18, 2009 which is filed on SEDAR at www.sedar.com and with the US Securities and Exchange Commission at www.sec.gov.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not yet determined whether its properties contain mineral reserves. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties. The Company is currently in the process of permitting its Lost Creek property. As identified in the June 2006 Technical Report on Lost Creek, National Instrument 43-101 compliant resources are 9.8 million pounds of U₃O₈ at 0.058 percent as an indicated resource and an additional 1.1 million pounds of U₃O₈ at 0.076 percent as an inferred resource.

The Company is focused on uranium exploration in the following areas: (i) Wyoming, USA where the Company has fourteen properties. Of those fourteen properties, ten are in the Great Divide Basin, two of which (Lost Creek and Lost Soldier) contain defined resources that the Company expects to advance to production. The Company's other Wyoming projects include two properties in the Shirley Basin, one property in the Greater Black Hills, and one property in the Powder River Basin; (ii) Arizona, USA where

the Company has acquired a property in Yuma County; (iii) the Thelon Basin, Northwest Territories, Canada, where it has three properties; and (iv) Baker Lake Basin, Nunavut, Canada, where it has one property.

Selected Information

The following table contains selected financial information as at December 31, 2008 and December 31, 2007.

	As at December 31, 2008 \$	As at December 31, 2007 \$ (As restated)
Total assets	101,533,965	110,931,322
Liabilities	3,256,634	2,092,296
Net assets	98,277,331	108,839,026
Capital stock and contributed surplus	157,118,019	149,826,129
Deficit	(58,840,688)	(40,987,103)
Shareholders' equity	98,277,331	108,839,026

The following table contains selected financial information for the years ended December 31, 2008, 2007 and 2006 and cumulative information from inception of the Company on March 22, 2004 to December 31, 2008.

	Year Ended December 31, 2008 \$	Year Ended December 31, 2007 \$ (As restated)	Year Ended December 31, 2006 \$ (As restated)	Cumulative from March 22, 2004 to December 31, 2008 \$ (As restated)
Revenue	Nil	Nil	Nil	Nil
Total expenses ⁽¹⁾	(25,967,711)	(22,959,356)	(12,395,814)	(70,879,783)
Interest income	2,494,445	2,816,398	629,724	6,078,439
Foreign exchange gain (loss)	5,656,319	(806,420)	(177,141)	5,568,239
Other income (loss)	(36,638)	-	-	(36,638)
Loss before income taxes	(17,853,585)	(20,949,378)	(11,943,231)	(59,269,743)
Recovery (loss) of future income taxes	-	429,055	-	429,055
Net loss for the period	(17,853,585)	(20,520,323)	(11,943,231)	(58,840,688)

(1) Stock based compensation included in total expenses	(4,567,206)	(6,138,922)	(3,505,517)	(14,762,197)
Loss per common share:				
Basic and diluted	(0.19)	(0.24)	(0.20)	
Cash dividends per common share	Nil	Nil	Nil	

The Company has not generated any revenue from its operating activities from inception to date. The Company's expenses include costs for general and administrative expense, exploration and evaluation costs, development expense and write-off of mineral property costs. The Company has recorded significant stock-based compensation costs which were included in total expenses. Acquisition costs of mineral properties are capitalized. Exploration, evaluation and development expenditures, including annual maintenance and lease fees, are charged to earnings as incurred until the mineral property becomes commercially mineable.

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

Overall Performance and Results of Operations

From inception to December 31, 2008, the Company has raised total cash proceeds from the issuance of common shares and warrants and from the exercise of warrants, compensation options and stock options of \$141.2 million. As at December 31, 2008, the Company held cash and cash equivalents, and short-term investments of \$65.0 million. The Company's cash resources are invested with major banks in bankers' acceptances, guaranteed investment certificates, certificates of deposit, and money market accounts. The Company has made significant investments in mineral properties and exploration, evaluation and development expenditures.

Mineral Properties

During the year ended December 31, 2008, the Company expended cash of \$0.9 million (2007 – \$1.4 million) on mineral property costs. The most significant component of these costs is staking and claim costs associated with the acquisition of the mineral properties primarily located in the United States. The Company's mineral properties are located in Wyoming, USA, Arizona, USA, Northwest Territories, Canada, and Nunavut, Canada.

Revised Method of Acreage Calculation

Previously, as related to its projects in the United States, the Company utilized rounded estimates of mining claim mineral acreage based upon number of claims staked multiplied by an estimated standard claim size of 20.66 acres per claim. Recently, the Company upgraded and converted its land management system processes to begin calculating mining claim mineral acreage primarily using mapping software which permits more accurate approximations. By way of example, mining claims normally are staked to overlap on adjacent property to eliminate the possibility of gaps and can cover an area larger than actually controlled; as well, claims deliberately may be staked smaller than standard size to cover gaps.

Wyoming, USA Properties

Lost Creek Project

The Lost Creek uranium deposit is located in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometers) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 meters) and 700 feet (213 meters) in depth.

As identified in the June 2006 Technical Report on Lost Creek, National Instrument 43-101 ("NI 43-101") compliant resources are 9.8 million pounds of U_3O_8 at 0.058 percent as an indicated resource and an additional 1.1 million pounds of U_3O_8 at 0.076 percent as an inferred resource. During 2006, 17 cased monitoring and pump test wells were completed on the property, and initial testing was completed.

The 2007 drilling program included 58 additional monitor and pump test wells, two water wells and a total of 195 delineation drill holes. This program enabled the Company to obtain additional baseline and hydrogeologic data within the first mine unit area for engineering assessments; for the State of Wyoming Department of Environmental Quality ("WDEQ") Permit to Mine application; for the US Nuclear Regulatory Commission ("NRC") Source Material License application; and, for the WDEQ Mine Unit #1 Permit application. In addition, six condemnation holes were drilled to make certain the potential target plant location was not over any part of the ore body.

In October 2007, the Company submitted its Application to the NRC for a Source Material License for the Lost Creek project. This license is the first stage of obtaining all necessary licenses and permits to enable the Company to recover uranium via in situ recovery method at the Lost Creek project. The collection and compilation of the extensive environmental background data for the application was a two-year process. In February 2008, the Company requested that the NRC application for its Lost Creek project be withdrawn to enable the Company to include upgrades to its application with respect to the project's operational plan and other advances in the health physics information and analyses. In March 2008, the Company re-submitted the Source Material License application to the NRC. In June 2008, the NRC notified the Company it deemed the Lost Creek application complete. The NRC thereafter commenced its detailed technical and environmental review of the Company's application.

In 2007, the Company also submitted the Lost Creek Mine Permit Application to the WDEQ. Individual mine unit applications for each well field will be submitted to cover each mine unit or well field that will be produced on the Lost Creek project. In May 2008, the Company received notice from the WDEQ that the agency found the application to be complete and authorized the Company to proceed with formal Public Notice of the application, which was subsequently completed on a timely basis by the Company.

Throughout the latter part of 2008 and, to date, in 2009, the Company has been responding to requests from both agencies for additional information, which is part of the routine process toward completion of the technical and environmental reviews of the applications.

In February 2008, an in-house economic analysis on the Lost Creek project was completed by the Company's engineering team. An independent technical report under NI 43-101 was subsequently prepared by Lyntek Inc. The purpose of the report was to provide an independent analysis and preliminary assessment of the potential economic viability of the mineral resource of the Lost Creek project. The resulting base case in the preliminary assessment prepared by Lyntek returned a pre-tax internal rate of return of 43.6% at a price of US\$80 per pound U_3O_8 , and demonstrated that the project would be economic at prices above US\$40 per pound U_3O_8 .

In September 2008, the Company announced an update to the Lost Creek permitting and production timeline based on further licensing guidance from the NRC. Based upon an NRC release of updated guidance on its expected publication of a final Generic Environmental Impact Statement for In-Situ Leach Uranium Milling Facilities ("GEIS") in a July 28, 2008 Federal Register notice (Vol.73, No. 145), the NRC revised its expected publication date from January 2009 to June 2009.

In early September 2008, the Company conducted meetings with senior officials of the NRC to confirm how the revised GEIS completion date would affect the timing of the issuance of licenses to presently pending applicants, including Lost Creek. As a result of the meetings, Ur-Energy revised its expectation for the issuance of the Lost Creek's NRC license from second quarter 2009 to fourth quarter 2009. First production from the Lost Creek project is now anticipated to occur in the second half of 2010.

The exploration and development program for 2008 at Lost Creek was designed to further delineate known resources, explore the permit area for additional resources outside of the known areas, and to install the monitoring wells required for the first mine unit. The program included the following activities:

- Drilling as follows:
 - o 300 delineation holes within the proposed mine unit area to provide detailed definition of the extent of minable uranium resources.
 - o 99 exploration holes were drilled to test for potential extensions of mineral trends. Drill hole depths ranged from 600 to 1,000 feet (183 to 305 meters).
 - o 48 cased monitor and pump test wells were installed within and surrounding the first proposed mine unit. These wells will be utilized for production monitoring.
 - o Ten regional baseline wells were also installed at the request of the WDEQ. The average well depth is approximately 450 feet (137 meters).
 - o Two water supply wells were drilled, cased and completed.
- The program employed seven contract drill rigs throughout much of the six-month drilling program. Geophysical logging units were also contracted to provide measurements of down-hole equivalent uranium mineralization. These were complemented by Ur-Energy's Prompt Fission Neutron "PFN" logging truck, capable of providing down-hole chemical uranium measurements.
- Core samples from several holes were obtained. Chemical uranium analyses of the core samples have been conducted, and will be used as referee and quality control measurements to be compared to the down-hole logging measurements of mineralization. Leach testing will also be conducted on selected core samples. All wells were cased in accordance with WDEQ guidelines and regulations; plugging and permanent abandonment of all uranium exploration and delineation boreholes was completed.
- Surveys of soils and geotechnical borings were conducted to assist in the evaluation of plant and road facilities design.

Following the 2008 drilling program, Ur-Energy personnel oversaw the drilling of a deep test well at Lost Creek. The well will be utilized to test the stratigraphy and groundwater quality for purposes of permitting future disposal well(s) to support site operations. The well reached a total depth of 9,894 feet (3,016 meters), on December 17, 2008 and was then cased. Additional well data will be obtained in 2009 to support the Company's permitting activities. Also during fourth quarter of 2008, the Company completed the pump testing of the monitor wells associated with the first mine unit.

During 2008, the Company purchased and mobilized operational equipment, including: backhoes, a water truck, a forklift, light and heavy trucks, trailers, offices, a hose reel, generators and cementers. In 2009, the Company's engineering staff, assisted by TREC Engineering, has completed the detailed

designs and specifications for all components of the Lost Creek ISR Plant and Mine Unit # 1. Requests for bids are being prepared to be provided to vendors and contractors. Procurement will be ongoing throughout 2009. Construction at the Lost Creek site will begin upon receipt of the necessary permits.

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

Lost Soldier Project

The Lost Soldier project is located approximately 14 miles (22.5 kilometers) to the northeast of the Lost Creek project. The property has over 3,700 historical drill holes defining 14 mineralized sandstone units. As identified in the July 2006 Technical Report on Lost Soldier, NI 43-101 compliant resources are 5.0 million pounds of U_3O_8 at 0.064% as a measured resource, 7.2 million pounds of U_3O_8 at 0.065% as an indicated resource and 1.8 million pounds of U_3O_8 at 0.055% as an inferred resource. The Company maintains 143 lode mining claims at Lost Soldier, totaling approximately 2,710 mineral acres. Of these 143 mining claims at Lost Soldier, 60 new claims were staked in 2008 for mine engineering design purposes. A royalty on future production of 1%, which arises from a data purchase, is in place with respect to certain claims within the project.

All environmental baseline studies were completed in 2007. In January 2008, the Lost Soldier deposit was turned over to the Company's engineering staff for detailed engineering evaluation and study, which has been ongoing. Subsequently, in late 2008, members of the geology staff have commenced in-depth studies which focus on detailed mapping of the roll-front geology. These studies will then be followed by detailed mine design planning, and a preliminary assessment, all of which are expected to proceed in 2009.

In March 2008, the Company had requested a separate docket number and technical assignment control number for the Lost Soldier project from the NRC. The Company has since determined it will submit the applications to the NRC and WDEQ as amendments to the Lost Creek licenses, after they are issued by those agencies. It is anticipated that the Lost Soldier licensing effort will be streamlined and more efficient as a satellite facility to the Lost Creek project.

Other Wyoming Properties

In 2008, exploration drilling of 11,370 feet (3,468 meters) was completed at the EN project. In January 2009, the Company completed an agreement reducing an existing royalty on claims and an area of interest arising from transactions dating back to 2006. With regard to the EN project, and three other areas, the Company was able to eliminate the area of interest and to reduce the royalty from two percent (2%) to one percent (1%) on certain specified mining claims. In a related transaction, the Company purchased 66 new claims which have become a part of the EN project, bringing that project to a total of 533 mining claims, together with one state mining lease.

Also in 2008, additional exploration data was obtained by completing over 746 miles (1,200 kilometers) of airborne geophysical surveys in Wyoming. The Company put other drilling programs, including for the LC North and North Hadsell projects, on hold in order to advance the development of the Lost Creek project. Also as a result of budgetary controls, the Company dropped exploration lands in South Dakota containing over 72,000 acres prior to additional costs of retention being incurred. As of the end of 2008, the Company maintains approximately 65,000 mineral acres in Wyoming. During 2008 and into 2009, an in-house team of geologists has continued to evaluate the extensive well log and exploration database owned by the Company for generating new exploration targets.

In 2007, the Company completed the acquisition of a data package from Power Resources Inc. ("PRI") pertinent to exploration and development on its Bootheel and Buck Point properties, in the Shirley Basin, Wyoming, for a total purchase price of US\$180,000, which was paid in two equal installments in 2006 and 2007. The data includes drill hole logs for more than 1,000 drill holes, historical resource reports, maps, drill summaries, individual drill hole summaries, handwritten notes, and digital printouts from such previous operators as Cherokee, Kerr McGee, Uradco (PP&L), and Mobil as well as historical feasibility reports from Dames & Moore and Nuclear Assurance.

In 2007, the Company entered into an agreement with Target Exploration & Mining Corp. and its subsidiary ("Target"). Under the terms of the agreement, the Company contributed its Bootheel and Buck Point properties to The Bootheel Project, LLC (the "Bootheel Project"). The properties cover an area of known uranium occurrences within the Shirley Basin. Target is earning into a 75% interest in the Bootheel Project by spending US\$3.0 million in exploration costs, and issuing 125,000 shares of its common stock to the Company, all within a four-year earn-in period. With the completion earlier in 2008 of agreements for additional rights and leased lands, the total project covers defined areas of approximately 8,524 gross, and 7,895 net, mineral acres. (The statement of net mineral acres with regard to the Bootheel property arises as a part of the 2008 agreements to which the lessor has a 75% mineral interest.)

Target timely issued its second installment of stock (25,000 shares) and confirmed its completion of the first year's required exploration expenditures. In 2008, Target also completed a 50,000 foot (15,250 meter) drilling program on the Bootheel property of the Project. The purpose of the program was to bring the historic resources in NI 43-101 compliance. In January 2009, Target announced that it had completed the acquisition of the final historic data package in behalf of the Bootheel Project. The data package, purchased from Cameco Corp., comprises data from approximately 290,000 feet of drilling carried out by Cameco, Kerr McGee and Uradco. The data acquired includes not only geological logs but also gamma logs containing equivalent uranium (eU_3O_8), values. This industry standard method of using eU_3O_8 indicates the amount of uranium present as determined by measuring gamma radiation using a down-hole probe.

The Company has made the data it acquired earlier from PRI covering the Bootheel and Buck Point properties (see discussion above), and certain other data, available to the Bootheel Project. PRI retained a royalty of 1% on future production of uranium and associated minerals from certain lands in the Bootheel Project.

In February 2009, Target issued 50,000 additional shares of its stock to the Company to complete the stock-based earn-in obligations (third and fourth installments) of the operating agreement of the Bootheel Project.

In 2007, the Company entered into agreements with Trigon Uranium Corporation and its subsidiary ("Trigon"). Under the terms of the agreements, the Company contributed its Hauber property to Hauber Project LLC (the "Hauber Project"). The Hauber Project is located in Crook County, Wyoming and consists of 205 unpatented lode mining claims and one state uranium lease totaling approximately 4,570 mineral acres.

Effective August 1, 2008, Trigon tendered its resignation as a Member and the Manager of the Hauber Project. Transition of management of the Hauber Project back to the Company has been completed. Before Trigon's decision not to proceed, it had contracted, as Manager of Hauber Project, for several outside geologic and hydrologic analytical projects, which were completed and submitted during the first half of 2008. The consultants employed abundant historic data to define the geologic setting and assess

the potential of the Hauber Project properties for the recovery of uranium through ISR mining methods. Further in-house analysis of these reports is underway.

Canadian Properties and Interests

Screech Lake Property, Thelon Basin

In 2006, an environmental screening study was completed on the Screech Lake project and an application for a land use permit to conduct drill testing of the Screech Lake anomalies was referred to the Mackenzie Valley Environmental Impact Review Board (“Review Board”) for environmental assessment. In 2007, the environmental assessment was completed and a report and recommendation from the Review Board was issued. The Review Board recommended to the Minister of Indian and Northern Affairs Canada (the “Minister”) that the Company’s application to conduct an exploratory drilling program at the Screech Lake property be rejected due to local native community concerns.

In October 2007, the Company received notification that the Minister had adopted the recommendation of the Review Board. As part of the decision, the Minister did confirm that the decision does not affect the legal standing of the Company’s Screech Lake mineral claims. Discussions with the Minister and other interested parties led the Company to conclude that the rejection was influenced, in part, by land claims issues between First Nations groups and the Federal government, and to a lesser extent, environmental concerns related to caribou migration routes and timing of a drill program. In the Company’s application for a land use permit, extensive mitigation measures were proposed to ensure that the drilling program would have minimal short-term environmental impact and no long-term effect.

Throughout 2008, the Company continued its ongoing discussions with First Nations groups and Aboriginal-owned business corporations to secure an exploration agreement which would allow the Company to proceed with re-filing of a drilling proposal and application for land use permit.

Bugs Property, Baker Lake Basin

In September 2006, the Company entered into an option agreement to acquire the Bugs property in Nunavut, Canada. The Company has earned a 100% interest in the property by issuing a total of 85,000 common shares to the vendor. The vendor retains a 2% net smelter royalty, of which 1% is subject to a buyout for \$1.0 million. The Bugs property initially consisted of 11 contiguous mineral claims in the Kivalliq region of the Baker Lake Basin. In 2008 the Company staked an additional eight mineral claims, which together total approximately 45,000 acres (approximately 18,000 hectares).

In 2006, a fixed wing aeromagnetic and radiometric survey was conducted on the entire property. The data from this survey resulted in the selection of seven targets based upon structural offset and dilation features in combination with magnetite depletion. In 2007, one of the seven targets was examined; the remaining targets were examined and prioritized during the 2008 summer program by radon sampling techniques, prospecting and rock sampling. This work led to interpreted areas of hydrothermal alteration, elevated radioactivity and high radon flux.

Six drill holes were completed from late August to mid September of 2008, for a total of 2,905 feet (885 meters). The program was terminated early due to problems with drilling equipment. Results of the program are being evaluated by the Company. The Company incurred total exploration and acquisition costs of approximately \$2.0 million during the 2008 program. As a part of this program, the Company utilized funds from the flow-through financing it raised in March 2008. See *Financing Transactions*, below.

Other Canadian Interests

In 2006, the Company completed a definitive agreement with Triex Minerals Corporation (“Triex”) with respect to the Mountain Lake and Dismal Lake West properties (together, comprising 58 claims). Pursuant to the option agreement, Triex obtained a 100% interest in the properties in September 2007. The Company retains a 5% net smelter return royalty interest in the properties with Triex having the right to purchase one-half of the royalty for \$5,000,000.

2008 Expenses Compared to 2007

Total expenses for the year ended December 31, 2008 were \$26.0 million as compared to \$23.0 million in 2007. Total expenses include general and administrative expense, exploration and evaluation expense, development expense and write-off of mineral property costs.

Overall, 2008 total expenses increased \$3.0 million as compared to 2007. The increase in total expenses was primarily due to increased expenditures on the Company’s exploration and development projects, the continued expansion of the Littleton, Colorado and Casper, Wyoming offices, and increases in non-cash amortization of capital assets and write-off expenses. The increase in total expenses was partially offset by a decrease in non-cash stock based compensation expense.

Exploration, evaluation and development expenditures increased \$3.1 million in 2008, primarily due to the transition of the Company’s Lost Creek property from the evaluation stage to the development stage. During 2008, the Company spent approximately \$1.9 million in evaluation activities and \$8.8 million in development activities related to the Lost Creek property, which were expensed in accordance with the Company’s revised accounting policies. Additionally, the Company incurred significant expenditures on other exploration and evaluation properties including the Bugs property in Canada and the Lost Soldier property in the United States.

General and administrative expense relates primarily to the Company’s administration, finance, investor relations, land and legal functions in Littleton, Colorado. During 2008, the Company continued to expand the Casper, Wyoming office. The Company strengthened key staffing areas adding eight positions primarily aimed at enhancing operating expertise at the Casper office. Accordingly, the Denver and Casper offices were also expanded to accommodate and support the staffing additions.

During the year, the Company recorded significant non-cash stock based compensation expenses related to stock options. In September 2008, the Company gave the holders of options with an exercise price of \$4.75 or higher the opportunity to voluntarily return all or a portion of these options to the Company by September 30, 2008 without any promise or guarantee that the option holders will receive any further options. Options for 2,490,000 shares with a weighted exercise price of \$4.82 were returned to the Company. Previously unrecognized stock based compensation cost of \$2.2 million was recognized at the cancellation date. Including the above, for 2008, stock based compensation expenses of \$4.6 million (2007 – \$6.1 million) were included in total expenses. These non-cash expenses represent approximately 18% of total expenses (2007 – 27%).

During the third quarter of 2008, the Company relinquished leases associated with the Harding and Fall River projects in South Dakota and wrote-off the approximately \$0.3 million in costs related to these projects.

Other income and expenses

The Company's cash resources are invested with major banks in bankers' acceptances, guaranteed investment certificates, certificates of deposit, and money market accounts. During the year ended December 31, 2008, the Company earned interest income on these investments of \$2.5 million, as compared to \$2.8 million in 2007. After the May 2007 bought deal financing and the March 2008 private placement, the Company's average cash resources increased significantly. However, the Company does not generate any revenue from operating activities and its average cash resources, and the resulting interest income, have declined since the two financings were completed.

During the year ended December 31, 2008, the Company recorded a net foreign exchange gain of \$5.7 million as compared to a \$0.8 million loss during the same period in 2007. This 2008 net foreign exchange gain arose primarily due to cash balances held in U.S. dollar accounts as the U.S. dollar strengthened relative to the Canadian dollar during the period, while in 2007 the U.S. dollar declined in value relative to the Canadian dollar.

Income Taxes

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

In 2007, the Company also recorded losses in both jurisdictions against which full valuation allowances were applied, except in respect of the Company's ISL subsidiary. The Company acquired ISL in 2004 and recorded a future tax liability upon the acquisition related to the difference between management's estimate of the tax basis and the fair value assigned to the assets acquired. In 2007, management filed tax returns for ISL for the pre-acquisition period and established additional tax basis for the ISL assets and consequently recorded a reduction in the future tax liability related to these assets.

Loss Per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2008 were \$0.19 (2007 – \$0.24). 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.

2007 Expenses Compared to 2006

Total expenses for the year ended December 31, 2007 were \$23.0 million as compared to \$12.4 million in 2006. Total expenses include general and administrative expense, exploration and evaluation expense, development expense and write-off of mineral property costs.

General and administrative expenses were \$1.8 million higher than in 2006. The majority of the increase in general and administrative expense was due to stock option related charges as discussed below. The balance of increased general and administrative costs related primarily to expansion of the Littleton, Colorado office and related staff costs for finance, legal and support personnel.

During the year ended December 31, 2007, the Company recorded significant non-cash stock based compensation charges related to stock options. In total, expenses recorded related to stock options were \$6.1 million as compared to \$3.5 million in 2006. These non-cash charges to expense represent approximately 27% of total expenses (2006 – 28%).

Exploration and evaluation expense increased significantly during 2007 as the Company rapidly advanced its Lost Creek and Lost Soldier properties in Wyoming. During 2007, the Company spent approximately US\$8.5 million for exploration activities on these two properties. The Company also spent significant amounts on other exploration properties including the Screech Lake in Canada.

During the fourth quarter of 2007, Company management decided not to proceed with funding of any additional exploration of the Titan R-Seven and Rook I properties. Accordingly, the Company wrote off approximately \$34,000 in related mineral property costs.

Other income and expenses

The Company's cash resources are invested with major banks in bankers' acceptances, guaranteed investment certificates, certificates of deposit, and money market accounts. During the year ended December 31, 2007, the Company earned interest income on these investments of \$2.8 million (2006 - \$0.6 million). Interest income was significantly higher in the third and fourth quarters of 2007 as the proceeds of the bought deal financing were invested from early May through to the end of the year.

During the year ended December 31, 2007, the Company recorded a net foreign exchange loss of \$0.8 million (2006 - \$0.2 million). This net foreign exchange loss arose primarily due to cash balances held in U.S. currency as the Canadian dollar strengthened relative to the U.S. dollar during the period from September to November 2007. During the first and second quarters of 2007, the Company experienced gains on the U.S. dollar denominated New Frontiers obligation. The obligation was fully repaid during the second quarter of 2007.

Loss Per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2007 were \$0.24 (2006 – \$0.20). For the years ended December 31, 2007 and 2006, diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Liquidity and Capital Resources

As at December 31, 2008, the Company had cash and cash equivalents, and short-term investments of \$65.0 million, a decrease of \$11.3 million from the December 31, 2007 balance of \$76.3 million. The Company's cash resources are invested with major banks in Canada and United States in guaranteed investment certificates, certificates of deposit, bankers' acceptances, and money market accounts. During the year ended December 31, 2008, the Company used \$10.5 million to fund operating activities, spent \$3.5 million on investing activities, and generated \$2.7 million from financing activities.

During the year ended December 31, 2008, the Company invested cash of \$3.5 million in mineral properties, bonding deposits, capital assets and design work on the Lost Creek plant. The majority of these expenditures went toward bonding deposits and the purchase of capital assets. The capital asset purchases were primarily for field vehicles and field equipment purchased to facilitate the exploration and development work programs in Wyoming.

On March 25, 2008, the Company completed a non-brokered private placement of 1,000,000 flow-through commons shares at \$2.75 per share raising gross proceeds of \$2.8 million. Total direct share issue costs were \$0.1 million. During the year ended December 31, 2008, the Company realized cash

proceeds of \$0.1 million from the exercise of previously issued stock options. In September 2008, the Company gave the holders of options with an exercise price of \$4.75 or higher the opportunity to voluntarily return all or a portion of these options to the Company by September 30, 2008 without any promise or guarantee that the option holders will receive any further options. Options for 2,490,000 shares with a weighted exercise price of \$4.82 were returned to the Company. Therefore, as at December 31, 2008, the Company had outstanding a total of 6,228,700 stock options with a weighted-average exercise price of \$1.95 per option.

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

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

Financing Transactions

The Company completed a non-brokered private placement of 1,000,000 flow-through common shares at \$2.75 per share on March 25, 2008 and raised gross proceeds of \$2.8 million. Total direct share issue costs were \$0.1 million.

On November 7, 2008 the Company's board of directors approved the adoption of 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.

Although the Rights Plan took effect immediately, in accordance with the TSX requirements, the Company will seek approval and ratification by its shareholders at the next annual and special meeting of shareholders on April 28, 2009. If the Rights Plan is not ratified, the Rights Plan and all of the Rights outstanding will terminate.

Outstanding Share Data

Information with respect to outstanding common shares, warrants, compensation options and stock options as at December 31, 2008 and December 31, 2007 is as follows:

	December 31, 2008	December 31, 2007
Common shares	93,243,607	92,171,607
Warrants	-	-
Compensation options	-	-
Stock options	6,228,700	8,010,700
Fully diluted shares outstanding	99,472,307	100,182,307

Off-Balance Sheet Arrangements

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

Financial Instruments and Other Instruments

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

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short term investments and bonding deposits. The Company's cash equivalents and short term investments include Canadian dollar and US dollar denominated guaranteed investment certificates and certificates of deposits. They bear interest at annual rates ranging from 0.75% to 3.25% and mature at various dates up to April 30, 2009. These instruments are maintained in financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$0.4 million is covered by either the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation, leaving approximately \$64.6 million at risk should the financial institutions with which these amounts are invested cease trading. As at December 31, 2008, the Company does not consider any of its financial assets to be impaired.

Liquidity risk

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

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

As at December 31, 2008 the Company's liabilities consisted of trade accounts payable of \$2,265,058, all of which are due within normal trade terms of generally 30 to 60 days.

Market risk

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

Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents and short term investments. The Company's objectives for managing its cash and cash equivalents are to ensure sufficient funds are maintained on hand at all times to meet day to day requirements and to place any amounts which are considered in excess of day to day requirements on short-term deposit with the Company's banks so that they earn interest. When placing amounts of cash and cash equivalents on short-

term deposit, the Company only uses high quality commercial banks and ensures that access to the amounts placed can generally be obtained on short notice.

Currency risk

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

At December 31, 2008 the Company had cash and cash equivalents, short term investments and bonding deposits of approximately US\$26.5 million (US\$18.4 million as at December 31, 2007) and had accounts payable of US\$1.7 million (US\$1.2 million as at December 31, 2007) which were denominated in US dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's US\$ denominated assets and liabilities at year end. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in US\$ foreign exchange rate would have a +/- \$3.0 million impact on net loss for the year ended December 31, 2008. This impact is primarily as a result of the Company having year end cash and investment balances denominated in US dollars and US dollar denominated trade accounts payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.6 million impact on net loss for the year ended December 31, 2008. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ from that shown above.

Transactions with Related Parties

During the years ended December 31, 2008 and 2007, the Company did not participate in any material transactions with any related parties.

Proposed Transactions and Listing Application Approval

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

In January 2008, the Company filed documentation with the United States Securities and Exchange Commission on Form 40-F to register the common shares of the Company and filed an application to list the common shares with the American Stock Exchange, LLC ("AMEX"). The application was subject to review by the AMEX, and on July 18, 2008, the AMEX approved for listing the common shares of the

Company. Trading of the common shares of the Company on the AMEX (now the NYSE Amex) commenced on July 24, 2008 under the symbol "URG".

Critical Accounting Policies and Estimates

Mineral Properties

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

The Company assesses the possibility of impairment in the net carrying value of its mineral properties when events or circumstances indicate that the carrying amounts of the asset or asset group may not be recoverable. Given the current disruption and uncertainty in the global economy, and the decrease in the Company's share price over the last year, management reviewed all of its significant mineral properties for potential impairment.

For the Company's Lost Creek and Lost Soldier properties, management calculated the estimated undiscounted future net cash flows relating to these properties as a single asset group as the Company expects to mine the Lost Soldier property as a satellite facility, licensed through an amendment to the Lost Creek permits, and using the Lost Creek plant. Management calculated the future net cash flows using estimated future prices, indicated resources, and estimated operating, capital and reclamation costs.

The Company's estimates of indicated resources depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis. The operating, capital and reclamation costs are based upon similar production plants and current capital budgets for the project. The uranium prices used are based on current long term contract prices and external consensus prices which for uranium vary between US\$50 and US\$70 per pound. By their very nature there can be no assurance that these estimates will actually be reflected in future construction or operation at the projects.

Management's estimate of the undiscounted cash flows related to these mineral properties exceed their carrying value, therefore management concluded that the assets passed step 1 of the asset impairment test prescribed under generally accepted accounting principles, and therefore no write-down of these assets was recorded. Management's estimates of mineral prices, mineral resources, foreign exchange, production levels and operating capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

For the Company's other properties, reliable cash flow forecasts cannot be made at this time. Management therefore tested these for impairment by comparing their carrying values to their estimated fair value based on non-NI 43-101 compliant resource estimates of indicated resources and a value of US\$2 per pound in the ground. Management also considered the results of current exploration activities on the properties and future exploration plans and expenditures by both the Company and, in the case of the Bootheel Project, Target, to assess whether these were inconsistent with other indicators of fair value. Based on the above, management concluded that the fair value of these properties exceeded the carrying amount and no impairment charges were recorded.

Stock Based Compensation

The Company is required to record all equity instruments including warrants, compensation options and stock options at fair value in the financial statements. Management utilizes the Black-Scholes model to

calculate the fair value of these equity instruments at the time they are issued. Use of the Black-Scholes model requires management to make estimates regarding the expected volatility of the Company's stock over the future life of the equity instrument, the estimate of the expected life of the equity instrument, the expected volatility of the Company's common shares, and the number of options that are expected to be forfeited. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results and by comparison to other companies in the uranium exploration and development segment.

Changes in Accounting Policies Including Initial Adoption

Exploration and Development Expenditures

In December 2008, the Company changed its policy for accounting for exploration and development expenditures. In prior years, the Company capitalized all direct exploration and development expenditures. Under its new policy, exploration, evaluation and development expenditures, including annual exploration license and maintenance fees, are charged to earnings as incurred until the mineral property becomes commercially mineable.

Management considers that a mineral property will become commercially mineable when it can be legally mined, as indicated by the receipt of key permits. Development expenditures incurred subsequent to the receipt of key permits will be capitalized and amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property. Management believes that this treatment provides a more relevant and reliable depiction of the Company's asset base and more appropriately aligns the Company's policies with those of comparable companies in the mining industry at a similar stage.

The Company has accounted for this change in accounting policy on a retroactive basis. Balance sheet amounts as at December 31, 2007 were restated as follows: deferred exploration expenditures were reduced by \$26.4 million, future income taxes liabilities were reduced by \$0.7 million, share capital increased by \$2.2 million and the accumulated deficit increased by \$27.9 million. The comparative operating results for the year ended December 31, 2007 and 2006 were also restated as follows: expenses increased by \$11.4 million and \$6.4 million, recovery of future income taxes decreased by \$2.1 million and \$0.5 million, net loss increased by \$13.5 million and \$6.9 million, and loss per common share increased by \$0.16 and \$0.11, respectively. The cumulative operating results for the period from March 22, 2004 to December 31, 2007 were restated as follows: expenses increased by \$24.9 million, recovery of future income taxes decreased by \$3.0 million, and net loss increased by \$27.9 million.

The Company will continue to capitalize the acquisition costs of mineral properties and capital assets.

New Accounting Standards

On January 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Sections:

- Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation. These new disclosure standards increase the Company's disclosure regarding the nature and risk associated with financial instruments and how those risks are managed. The new presentation standard carries forward the former presentation requirements.
- Section 1535, Capital Disclosures. This new standard requires the Company to disclose its objectives, policies and processes for managing its capital structure.
- Section 1400, General Standards on Financial Statement Presentation. This standard requires management to assess at each balance sheet date and, if necessary, disclose any uncertainty

surrounding the ability of the Company to continue as a going concern. The adoption of this standard had no impact on the Company's disclosures in these interim financial statements.

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in the rules of the Canadian Securities Administrators) and concluded that the Company's disclosure controls and procedures were effective as of December 31, 2008.

Internal Controls over Financial Reporting

No changes have occurred in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting ("ICFR"). The Chief Executive Office and Chief Financial Officer of the Company evaluated the effectiveness of the Company's ICFR and, based upon this assessment, concluded that the Company's internal control over financial reporting was effective as of December 31, 2008.

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") announced that the requirement for publicly-accountable companies to adopt International Financial Reporting Standards ("IFRS"), will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

During 2008, the Company scheduled an IFRS diagnostic study to assess the impact of the transition to IFRS on the Company's accounting policies and to establish a project plan to implement IFRS. Following this initial diagnostic step, which will be conducted during 2009, the Company will proceed to make a determination of the impact of transition to IFRS on its financial statements and systems, if any.

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 Report on Form 20-F (Annual Information Form) dated March 18, 2009 which is filed on SEDAR at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Other Information

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

Directors and Officers

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

Corporate Offices

<i>United States Headquarters:</i> 10758 West Centennial Road, Suite 200 Littleton (Denver), Colorado 80127 Phone: (720) 981-4588	<i>Canadian Exploration Office:</i> 341 Main Street North, Suite 206 Brampton, Ontario L6X 3C7 Phone: (905) 456-5436
<i>Wyoming Operations Office:</i> 5880 Enterprise Drive, Suite 200 Casper, Wyoming 82609 Phone: (307) 265-2373	<i>Registered Canadian Office:</i> McCarthy Tétrault The Chambers, Suite 1400 40 Elgin St Ottawa, Ontario K1P 5K6 Phone: (613) 238-2000

Web Site

www.ur-energy.com

Trading Symbol

TSX: URE

NYSE Amex: URG

Independent Auditor

PricewaterhouseCoopers LLP, Vancouver

Corporate Legal Counsel

McCarthy Tétrault LLP, Ottawa

Corporate Banker

Royal Bank of Canada, Ottawa

Transfer Agent

Equity Transfer & Trust Company, Toronto

Registrar and Transfer Company (Co-Transfer Agent and Co-Registrar), New York

Ur-Energy Inc.
(a Development Stage Company)

Audited Consolidated Financial Statements

December 31, 2008

(expressed in Canadian dollars)

Pricewaterhouse Coopers LLP
Chartered Accountants
PricewaterhouseCoopers Place
250 Howe Street, Suite 700
Vancouver, British Columbia
Canada V6C 3S7
Telephone +1 604 806 7000
Facsimile +1 604 806 7806

March 23, 2009

March 23, 2009

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

We have audited the consolidated balance sheets of **Ur-Energy Inc.** as at December 31, 2008 and 2007 and the consolidated statements of operations, comprehensive loss and deficit and cash flows for the three year then ended December 31, 2008, 2007 and 2006 and the cumulative period from March 22, 2004 to December 31, 2008 .. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007 and the results of its operations and its cash flows for the years ended December 31, 2008, 2007 and 2006 and the cumulative period from March 22, 2004 to December 31, 2008 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Vancouver, British Columbia

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

(expressed in Canadian dollars)

	December 31, 2008	December 31, 2007
	\$	\$ (as restated – see Note 2)
Assets		
Current assets		
Cash and cash equivalents (note 12)	25,799,735	26,312,757
Short-term investments	39,174,200	49,999,021
Marketable securities	7,500	37,000
Amounts receivable	132,710	876,374
Prepaid expenses	77,777	61,488
	<u>65,191,922</u>	<u>77,286,640</u>
Bonding and other deposits (note 3)	2,578,825	1,508,576
Mineral properties (note 4)	31,808,821	31,232,372
Capital assets (note 5)	1,631,304	903,734
Construction in progress (note 6)	323,093	-
	<u>36,342,043</u>	<u>33,644,682</u>
	<u>101,533,965</u>	<u>110,931,322</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	2,265,058	1,432,624
Future income tax liability (note 7)	478,000	478,000
Asset retirement obligation (note 8)	513,576	181,672
	<u>3,256,634</u>	<u>2,092,296</u>
Shareholders' equity (note 9)		
Capital stock	144,396,460	141,623,534
Contributed surplus	12,721,559	8,202,595
Deficit	(58,840,688)	(40,987,103)
	<u>98,277,331</u>	<u>108,839,026</u>
	<u>101,533,965</u>	<u>110,931,322</u>

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

Approved by the Board of Directors

(signed) /s/ Jeffery T. Klenda
Director

(signed) /s/ Thomas Parker
Director

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

(expressed in Canadian dollars)

	Year ended December 31, 2008 \$	Year ended December 31, 2007 \$ (as restated – see Note 2)	Year ended December 31, 2006 \$ (as restated – see Note 2)	Cumulative From March 22, 2004 to December 31, 2008 \$ (as restated – see Note 2)
Expenses				
General and administrative	6,904,564	7,305,315	5,540,691	21,923,049
Exploration and evaluation	9,922,798	15,654,041	6,821,291	39,782,553
Development expense	8,854,536	-	-	8,854,536
Write-off of mineral properties	285,813	-	33,832	319,645
	<u>(25,967,711)</u>	<u>(22,959,356)</u>	<u>(12,395,814)</u>	<u>(70,879,783)</u>
Interest income	2,494,445	2,816,398	629,724	6,078,439
Foreign exchange gain (loss)	5,656,319	(806,420)	(177,141)	5,568,239
Other income (loss)	(36,638)	-	-	(36,638)
	<u>8,114,126</u>	<u>2,009,978</u>	<u>452,583</u>	<u>11,610,040</u>
Loss before income taxes	(17,853,585)	(20,949,378)	(11,943,231)	(59,269,743)
Recovery of future income taxes (note 10)	-	429,055	-	429,055
Net loss and comprehensive loss for the period	<u>(17,853,585)</u>	<u>(20,520,323)</u>	<u>(11,943,231)</u>	<u>(58,840,688)</u>
Deficit - Beginning of period				
As previously reported	(13,080,150)	(6,018,383)	(957,857)	-
Change in policy for accounting for exploration and development costs (note 2)	(27,906,953)	(14,448,397)	(7,565,692)	-
As restated	<u>(40,987,103)</u>	<u>(20,466,780)</u>	<u>(8,523,549)</u>	<u>-</u>
Deficit - End of period	<u>(58,840,688)</u>	<u>(40,987,103)</u>	<u>(20,466,780)</u>	<u>(58,840,688)</u>
Loss per common share, basic and diluted	(0.19)	(0.24)	(0.20)	
Weighted average number of shares outstanding, basic and diluted	92,996,339	85,564,480	59,463,626	

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

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

(expressed in Canadian dollars)

	Year ended December 31, 2008 \$	Year ended December 31, 2007 \$ (as restated – see Note 2)	Year ended December 31, 2006 \$ (as restated – see Note 2)	Cumulative From March 22, 2004 to December 31, 2008 \$ (as restated – see Note 2)
Cash provided by (used in)				
Operating activities				
Net loss for the period	(17,853,585)	(20,520,323)	(11,943,231)	(58,840,688)
Items not affecting cash:				
Stock based compensation	4,567,206	6,138,922	3,505,517	14,762,197
Amortization of capital assets	515,138	76,069	34,857	626,064
Provision for reclamation	331,904	181,672	-	513,576
Write-off of mineral properties	285,813	-	33,832	319,645
Foreign exchange gain	-	(1,176,340)	(178,749)	(2,297,981)
Gain on sale of assets	(5,361)	-	-	(5,361)
Non-cash exploration costs (credits)	-	(87,389)	146,470	2,726,280
Other loss (income)	51,998	(37,000)	-	14,998
Future income taxes	-	(429,055)	-	(429,055)
Change in non-cash working capital items:				
Amounts receivable	743,664	(795,998)	70,706	(132,710)
Prepaid expenses	(16,289)	86,755	(49,543)	(77,777)
Accounts payable and accrued liabilities	832,434	796,375	277,125	2,265,058
	<u>(10,547,078)</u>	<u>(15,766,312)</u>	<u>(8,103,016)</u>	<u>(40,555,754)</u>
Investing activities				
Mineral properties	(874,762)	(1,400,202)	(787,529)	(10,460,812)
Construction in progress	(323,093)	-	-	(323,093)
Purchase of short- term investments	(65,828,987)	(49,999,021)	(3,000,000)	(128,658,008)
Sale of short-term investments	76,643,808	-	12,840,000	89,483,808
Increase in bonding and other deposits	(1,070,249)	(1,342,425)	(46,053)	(2,578,825)
Proceeds from sale of assets	26,344	-	-	26,344
Purchase of capital assets	(1,263,691)	(784,895)	(187,173)	(2,235,759)
	<u>7,309,370</u>	<u>(53,526,543)</u>	<u>8,819,245</u>	<u>(54,746,345)</u>
Financing Activities				
Issuance of common shares and warrants	2,750,000	77,744,735	20,351,499	122,668,053
Share issue costs	(115,314)	(246,119)	(288,800)	(2,569,025)
Proceeds from exercise of warrants, compensation options and stock options	90,000	1,334,547	12,733,749	18,567,931
Payment of New Frontiers obligation	-	(11,955,375)	(5,609,750)	(17,565,125)
	<u>2,724,686</u>	<u>66,877,788</u>	<u>27,186,698</u>	<u>121,101,834</u>
Net change in cash and cash equivalents	(513,022)	(2,415,067)	27,902,927	25,799,735
Cash and cash equivalents - Beginning of period	26,312,757	28,727,824	824,897	-
Cash and cash equivalents- End of period	25,799,735	26,312,757	28,727,824	25,799,735

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

December 31, 2008

(expressed in Canadian dollars)

1. Nature of operations

Ur-Energy Inc. (the "Company") is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in Canada and the United States. The Company has not determined whether the properties contain mineral reserves. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties. The Company is currently in the process of permitting its Lost Creek property. As identified in the June 2006 Technical Report on Lost Creek, National Instrument 43-101 compliant resource are 9.8 million pounds of U₃O₈ at 0.058 percent as an indicated resource and an additional 1.1 million pounds of U₃O₈ at 0.076 percent as an inferred resource.

2. Significant accounting policies

Basis of presentation

Ur-Energy Inc. was incorporated on March 22, 2004 under the laws of the Province of Ontario. The Company continued under the Canada Business Corporation Act on August 7, 2006. These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada and include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries Ur-Energy USA Inc., NFU Wyoming, LLC, Lost Creek ISR, LLC, The Bootheel Project, LLC, NFUR Bootheel, LLC, Hauber Project LLC, NFUR Hauber, LLC, ISL Resources Corporation, ISL Wyoming, Inc. and CBM-Energy Inc. All inter-company balances and transactions have been eliminated upon consolidation. Ur-Energy Inc. and its wholly-owned subsidiaries are collectively referred to herein as the "Company".

Use of estimates

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

Cash and cash equivalents

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

Short-term investments

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

Bonding deposits

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

Mineral properties

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

(expressed in Canadian dollars)

Exploration accounting policy change

In December 2008, the Company changed its policy for accounting for exploration and development expenditures. In prior years, the Company capitalized all direct exploration and development expenditures. Under its new policy, exploration, evaluation and development expenditures, including annual exploration license and maintenance fees, are charged to earnings as incurred until the mineral property becomes commercially mineable.

Management considers that a mineral property will become commercially mineable when it can be legally mined, as indicated by the receipt of key permits. Development expenditures incurred subsequent to the receipt of key permits will be capitalized and amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property. Management believes that this treatment provides a more relevant and reliable depiction of the Company's asset base and more appropriately aligns the Company's policies with those of comparable companies in the mining industry at a similar stage.

The Company has accounted for this change in accounting policy on a retroactive basis. Balance sheet amounts as at December 31, 2007 were restated as follows: deferred exploration expenditures were reduced by \$26.4 million, future income taxes liabilities were reduced by \$0.7 million, share capital increased by \$2.2 million and the accumulated deficit increased by \$27.9 million. The comparative operating results for the year ended December 31, 2007 and 2006 were also restated as follows: expenses increased by \$11.4 million and \$6.4 million, recovery of future income taxes decreased by \$2.1 million and \$0.5 million, net loss increased by \$13.5 million and \$6.9 million, and loss per common share increased by \$0.16 and \$0.11, respectively. The cumulative operating results for the period from March 22, 2004 to December 31, 2007 were restated as follows: expenses increased by \$24.9 million, recovery of future income taxes decreased by \$3.0 million, and net loss increased by \$27.9 million.

The Company will continue to capitalize the acquisition costs of mineral properties and capital assets.

Capital assets and construction in progress

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

Financing costs

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

Impairment of long-lived assets

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

Asset retirement obligation

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement

December 31, 2008

(expressed in Canadian dollars)

obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. Accretion charges to the asset retirement obligation are charged to the related exploration or development project.

Stock-based compensation

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

Flow-through shares

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

Foreign currency translation

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

Income taxes

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

Loss per common share

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

Classification of financial instruments

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

- Cash and cash equivalents are classified as "held for trading" and are measured at fair value at the end of each period with any resulting gains and losses recognized in operations
- Short term investments are classified as "held-to-maturity" and carried at cost plus accrued interest using the effective interest rate method, with interest income and exchange gains and losses included in operations
- Marketable securities are classified as "held for trading" and are measured at fair value at the end of each period with any resulting gains and losses recognized in operations

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(expressed in Canadian dollars)

- Amounts receivable, bonding and other deposits are classified as “Loans and receivables” and are recorded at amortized cost. Interest income is recorded using the effective interest rate method and is included in income for the period.
- Accounts payable and accrued liabilities are classified as “Other financial liabilities” and are measured at amortized cost

Adoption of new accounting pronouncements

On January 1, 2008, the Company adopted the following Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections:

- Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation. These new disclosure standards increase the Company’s disclosure regarding the nature and risk associated with financial instruments and how those risks are managed (see Note 12). The new presentation standard carries forward the former presentation requirements.
- Section 1535, Capital Disclosures. This new standard requires the Company to disclose its objectives; policies and processes for managing its capital structure (see Note 15).
- Section 1400, General Standards on Financial Statement Presentation. This standard requires management to assess at each balance sheet date and, if necessary, disclose any uncertainty surrounding the ability of the Company to continue as a going concern. The adoption of this standard had no impact on the Company’s disclosures in these financial statements.

Comparative figures

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

Future accounting pronouncements

Sections 3064 – Goodwill and Intangible Assets

The CICA issued the new Handbook Section 3064, “Goodwill and Intangible Assets”, which will replace Section 3062, “Goodwill and Intangible Assets”. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of preproduction and start-up costs and requires that these costs be expensed as incurred. The new standard applies to the Company’s annual and interim financial statements beginning January 1, 2009. The Company does not expect the adoption of these changes to have a material impact on its consolidated financial statements.

Convergence with International Financial Reporting Standards

In January 2006, Canada’s Accounting Standards Board (“AcSB”) ratified a strategic plan calling for the evolution and convergence of Canadian GAAP with IFRS, after a specified transition period, by publically accountable enterprises in Canada. The AcSB has more recently confirmed January 1, 2011 as the date IFRS will replace current Canadian GAAP standards and interpretations entities like the Company. As a result, the Company will be required to prepare its consolidated financial statements in accordance with IFRS for interim and annual financial statements beginning January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010.

The Company is currently developing an implementation plan and assessing the impacts of the conversion on the consolidated financial statements and disclosures of the Company.

Sections 1582, 1601 & 1602 – Business combinations, consolidated financial statements and non-controlling interests

These sections replace the former CICA 1581, Business Combinations and CICA 1600, Consolidated Financial Statements and establish a new section for accounting for a non-controlling interest in a subsidiary. These sections provide the Canadian equivalent to IFRS 3, Business Combinations (January 2008) and IAS 27, Consolidated and

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Separate Financial Statements (January 2008). CICA 1582 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual report reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on/after January 1, 2011.

3. Bonding and other deposits

Bonding and other deposits include \$2,556,815 (December 31, 2007 – \$1,397,607) of reclamation bonds deposited with United States financial institutions as collateral to cover potential costs of reclamation related to properties. Once the reclamation is complete, the bonding deposits will be returned to the Company.

4. Mineral properties

	Canada	USA		Total
	Canadian Properties \$	Lost Creek/ Lost Soldier \$	Other US Properties \$	\$
<i>Mineral properties:</i>				
Balance				
December 31, 2006	251,219	25,450,803	4,950,383	30,652,405
Acquisition costs	243,000	0	703,918	946,918
Staking and claim costs	41,351	226,028	936,950	1,204,329
Interest capitalized	-	407,951	36,925	444,876
Reduction in interest capitalized	-	(1,848,815)	(167,341)	(2,016,156)
Balance				
December 31, 2007	535,570	24,235,967	6,460,835	31,232,372
Acquisition costs	-	3,593	(11,341)	(7,748)
Staking and claim costs	80,944	75,777	587,640	744,361
Labor costs	-	1,375	69,826	71,201
Outside service costs	646	-	4,298	4,944
Other costs	-	4	49,500	49,504
Write-off	-	-	(285,813)	(285,813)
Balance				
December 31, 2008	617,160	24,316,716	6,874,945	31,808,821

Canada

The Company's Canadian properties include Screech Lake, which is located in the Thelon Basin, Northwest Territories and Bugs, which is located in the Kivalliq region of the Baker Lake Basin, Nunavut.

United States

Lost Creek and Lost Soldier

On June 30, 2005, the Company entered into definitive agreements with New Frontiers Uranium LLC, a Colorado limited liability company (the "New Frontiers LOI") to acquire certain Wyoming properties (the "New Frontiers Agreements"). Under the terms of the New Frontiers Agreements, the Company acquired a 100% interest in NFU Wyoming LLC which holds the majority of the Company's Wyoming properties, including the Lost Creek and Lost Soldier projects, for total consideration of \$24,515,832 (US\$20,000,000). A royalty on future production of 1.67% is in place with respect to 20 claims comprising a portion of the Lost Creek project claims.

(expressed in Canadian dollars)

Other US Properties

The Company's other US properties include EN, RS, and Bootheel and Buck Point, which are located in Wyoming.

During June 2007, the Company entered into an Exploration, Development and Mine Operating Agreement with Target Exploration & Mining Corporation and its subsidiary ("Target"). Under the terms of the agreement, the Company, through its wholly-owned subsidiary, NFUR Bootheel, LLC, contributed its Bootheel and Buck Point properties to The Bootheel Project, LLC. The projects cover an area of known uranium occurrences in Albany County, Wyoming in the Shirley Basin. The Bootheel and Buck Point properties contributed by the Company are comprised of certain mining claims and two state leases. The Company will make any data covering its Bootheel and Buck Point properties, and certain other data, available to the venture with Target. Target will contribute US\$3 million in exploration expenditures and issue a total of 125,000 common shares of Target to the Company over a four year period in order to earn a 75% interest in The Bootheel Project, LLC. Minimum exploration expenditures of US\$750,000 are required in each year during the four year earn-in period. Target is the operator of the Bootheel Project.

Impairment testing

Given the current disruption and uncertainty in the global economy, and the decrease in the Company's share price over the last year, management reviewed all of its significant mineral properties for potential impairment as at December 31, 2008.

For the Company's Lost Creek and Lost Soldier properties, management calculated the estimated undiscounted future net cash flows relating to these properties as a single asset group as the Company expects to mine the Lost Soldier property as a satellite facility, licensed through an amendment to the Lost Creek permits, and using the Lost Creek plant. Management calculated the future net cash flows using estimated future prices, indicated resources, and estimated operating, capital and reclamation costs.

The Company's estimates of indicated resources depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis. The operating, capital and reclamation costs are based upon similar production plants and current capital budgets for the project. The uranium prices used are based on current long term contract prices and external consensus prices which for uranium vary between US\$50 and US\$70 per pound. By their very nature there can be no assurance that these estimates will actually be reflected in future construction or operation at the projects.

Management's estimate of the undiscounted cash flows related to these mineral properties exceed their carrying value, therefore management concluded that the assets passed step 1 of the asset impairment test prescribed under generally accepted accounting principles, and therefore no write-down of these assets was recorded. Management's estimates of mineral prices, mineral resources, foreign exchange, production levels and operating capital and reclamation costs are subject to risk and uncertainties that may affect the determination of the recoverability of the long-lived asset. It is possible that material changes could occur that may adversely affect management's estimates.

For the Company's other properties, reliable cash flow forecasts cannot be made at this time. Management therefore tested these for impairment by comparing their carrying values to their estimated fair value based on non-NI 43-101 compliant resource estimates of indicated resources and a value of US\$2 per pound in the ground. Management also considered the results of current exploration activities on the properties and future exploration plans and expenditures by both the Company and its development partners to assess whether these were inconsistent with other indicators of fair value. Based on the above, management concluded that the fair value of these properties exceeded the carrying amount and no impairment charges were recorded.

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5. Capital assets

	December 31, 2008			December 31, 2007		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
<i>Capital assets:</i>	\$	\$	\$	\$	\$	\$
Light vehicles	656,184	215,238	440,946	301,057	86,011	215,046
Heavy mobile equipment	424,559	103,903	320,656	-	-	-
Machinery and equipment	780,085	232,390	547,695	456,247	54,532	401,715
Furniture and fixtures	189,987	48,829	141,158	124,217	21,456	102,761
Computer equipment	178,633	66,672	111,961	135,865	28,988	106,877
Software	125,411	56,523	68,888	95,870	18,535	77,335
	<u>2,354,859</u>	<u>723,555</u>	<u>1,631,304</u>	<u>1,113,256</u>	<u>209,522</u>	<u>903,734</u>

6. Construction in progress

	USA	Total
	Lost Creek	
	\$	\$
<i>Construction in progress:</i>		
Balance		
December 31, 2007	-	-
Plant design costs	323,093	323,093
Balance		
December 31, 2008	<u>323,093</u>	<u>323,093</u>

7. Deferred tax asset and future income tax liability

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

	Year ended	Year ended
	December 31,	December 31,
	2008	2007
	\$	\$
		(As restated – see Note 2)
Future income tax assets		
Deferred tax assets	18,104,000	8,494,000
Net operating loss carry forwards	2,389,000	3,403,000
Less: valuation allowance	<u>(20,493,000)</u>	<u>(11,897,000)</u>
	-	-
Future income tax liabilities		
Asset basis differences	<u>(478,000)</u>	<u>(478,000)</u>
Net deferred tax asset (future income tax liability)	<u>(478,000)</u>	<u>(478,000)</u>
Income tax loss carry forwards		
Canadian federal (expiring 2008 – 2028)	8,559,000	
Ontario provincial (expiring 2008 – 2028)	8,204,000	
United States federal (expiring (2015 – 2028))	5,900,000	

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8. Asset retirement obligation

The Company has recorded \$513,576 for asset retirement obligations (December 31, 2007 – \$181,672) which represents an estimate of costs that would be incurred to remediate the exploration and development properties. The retirement obligations recorded relate entirely to exploration and development drill holes on the Company's Wyoming properties.

9. Shareholders' equity and capital stock

Authorized

The Company is authorized to issue an unlimited number of common shares and an unlimited number of Class A preference shares with the rights, privileges and restrictions as determined by the Board of Directors at the time of issuance.

No class A preference shares have been issued

	Capital Stock		Contributed Surplus	Accumulated Deficit	Shareholders' Equity
	Shares #	Amount \$			
Balance, December 31, 2005	47,204,040	23,173,625	1,093,086	(8,523,549)	15,743,162
Common shares issues for cash, net of issue costs	9,204,727	20,062,699	-	-	20,062,699
Exercise of warrants	13,483,134	13,701,383	4,350	-	13,705,733
Exercise of compensation options	1,337,904	1,975,223	(694,436)	-	1,280,787
Exercise of stock options	106,500	206,152	(72,822)	-	133,330
Non-cash stock compensation	-	-	2,348,163	-	2,348,163
Common shares issued for properties	360,000	990,000	-	-	990,000
Common shares issued for services	1,778,747	1,303,824	-	-	1,303,824
Net loss and comprehensive loss	-	-	-	(11,943,231)	(11,943,231)
Balance, December 31, 2006	73,475,052	61,412,906	2,678,341	(20,466,780)	43,624,467
Common shares issues for cash, net of issue costs	17,431,000	77,503,307	-	-	77,503,307
Exercise of warrants	156,209	229,154	(72,341)	-	156,813
Exercise of compensation options	110,346	212,139	-	-	212,139
Exercise of stock options	774,000	1,553,528	(542,327)	-	1,011,201
Non-cash stock compensation	-	-	6,138,922	-	6,138,922
Common shares issued for properties	225,000	712,500	-	-	712,500
Net loss and comprehensive loss	-	-	-	(20,520,323)	(20,520,323)
Balance, December 31, 2007	92,171,607	141,623,534	8,202,595	(40,987,103)	108,839,026
Common shares issued for cash, net of issue costs	1,000,000	2,634,686	-	-	2,634,686
Exercise of stock options	72,000	138,240	(48,240)	-	90,000
Non-cash stock compensation	-	-	4,567,204	-	4,567,204
Net loss and comprehensive loss	-	-	-	(17,853,585)	(17,853,585)
Balance, December 31, 2008	93,243,607	144,396,460	12,721,559	(58,840,688)	98,277,331

2006 issuances

On December 14, 2006, the Company completed a private placement of 500,000 flow-through common shares at a purchase price of \$5.00 per share for gross proceeds of \$2,500,000. On August 30, 2006, the Company completed a bought deal financing for the issuance of a total of 8,522,727 common shares at a purchase price of \$2.20 per common share for gross proceeds of \$18,750,000.



December 31, 2008

(expressed in Canadian dollars)

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

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

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

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

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

2007 issuances

On May 10, 2007, the Company completed a bought deal financing for the issuance of 17,431,000 common shares at a price of \$4.75 per share for gross proceeds of \$82,797,250. Total direct share issue costs, including the underwriters' commissions were \$5,293,943.

During September 2007, the Company issued 25,000 common shares with respect to the option agreement to acquire the Bugs property. These common shares were valued at \$71,500. During December 2007, the Company issued the final installment of 50,000 common shares to complete its acquisition of a 100% interest in the Bugs property. These common shares were valued at \$171,500.

In September 2007, the Company issued 150,000 common shares pursuant to the terms of the Dalco Agreement to complete its 100% earn-in with respect to the Company's Radon Springs Project in Wyoming. These common shares were valued at \$469,500.

2008 issuances

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

Director, officer and contractor shares for service

The Company approved the potential issuance of a total of 2,760,000 common shares to directors and officers of the Company and contractors to the Company to compensate for services provided to the Company under various service contracts. The Company issued a total of 1,478,747 common shares valued at \$736,824 with respect to these service contracts during the year ended December 31, 2006.

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

Stock options

On November 17, 2005, the Company's Board of Directors approved the adoption of the Company's stock option plan (the "Plan"). Eligible participants under the Plan include directors, officers and employees of the Company and consultants to the Company. Under the terms of the Plan, options generally vest with Plan participants as

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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.

In September 2008, the Company gave the holders of options with an exercise price of C\$4.75 or higher the opportunity to voluntarily return all or a portion of these options to the Company by September 30, 2008 without any promise or guarantee that the option holders will receive any further options. Options for 2,490,000 shares with a weighted exercise price of \$4.82 were returned to the Company. Previously unrecognized stock based compensation cost of \$2.2 million was recognized at the cancellation date.

Activity with respect to stock options is summarized as follows:

	Number	Weighted-average exercise price \$
Outstanding, December 31, 2005	4,375,000	1.25
Granted	2,035,000	2.42
Exercised	(106,500)	1.25
Forfeited	(897,500)	1.25
Outstanding, December 31, 2006	5,406,000	1.69
Granted	3,667,500	4.44
Exercised	(774,000)	1.31
Forfeited	(288,800)	4.29
Outstanding, December 31, 2007	8,010,700	2.89
Granted	1,075,000	1.66
Exercised	(72,000)	1.25
Forfeited	(295,000)	2.50
Voluntarily returned	(2,490,000)	4.82
Outstanding, December 31, 2008	<u>6,228,700</u>	<u>1.95</u>

As at December 31, 2008, outstanding stock options are as follows:

Exercise price \$	Options outstanding		Options exercisable		Expiry
	Number of options	Weighted- average remaining contractual life (years)	Number of options	Weighted- average remaining contractual life (years)	
1.65	11,200	0.2	11,200	0.2	March 31, 2009
1.25	2,440,800	1.9	2,440,800	1.9	November 17, 2010
2.01	75,000	2.2	75,000	2.2	March 25, 2011
2.35	1,450,000	2.3	1,450,000	2.3	April 21, 2011
2.75	399,200	2.7	399,200	2.7	September 26, 2011
4.75	45,000	3.4	45,000	3.4	May 15, 2012
3.67	200,000	3.5	152,000	3.5	July 15, 2012
3.00	437,500	3.6	332,500	3.6	August 9, 2012
3.16	50,000	3.7	50,000	3.7	September 17, 2012
2.98	50,000	3.8	38,000	3.8	October 5, 2012
4.07	30,000	3.9	22,800	3.9	November 7, 2012
2.11	25,000	4.2	13,500	4.2	March 19, 2013
1.65	990,000	4.4	316,800	4.4	May 8, 2013
1.72	<u>25,000</u>	4.6	<u>8,000</u>	4.6	August 6, 2013

1.95 6,228,700

2.7 5,354,800

2.4

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During the year ended December 31, 2008, the Company recorded a total of \$4,567,206 related to stock option compensation (2007 - \$6,138,922). This amount is included in shareholders' equity as contributed surplus and is recorded as an expense. The fair value of options granted during 2008 and 2007 was determined using the Black-Scholes option pricing model with the following assumptions:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expected option life (years)	4.0	4.0	3.5 – 4.0
Expected volatility	65%	63% – 67%	67% – 72%
Risk-free interest rate	3.0% - 3.4%	3.9% – 4.6%	4.0% – 4.2%
Expected dividend rate	nil	nil	nil

10. Recovery of future income taxes

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

	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
	\$	\$ (As restated – see Note 2)	\$ (As restated – see Note 2)
Canadian earnings (loss)	(3,596,937)	(5,736,500)	(4,604,079)
United States loss	(14,256,648)	(15,212,878)	(7,339,152)
Loss before income taxes	(17,853,585)	(20,949,378)	(11,943,231)
Statutory rate	33.5%	36.0%	36.0%
Expected recovery of income tax	(5,980,951)	(7,541,776)	(4,299,563)
Effect of foreign tax rate differences	(731,366)	(400,099)	(193,020)
Non-deductible amounts	1,530,012	1,367,320	45,828
Effect of change in enacted future tax rates	(43,662)	390,200	254,512
Effect of change in foreign exchange rates	(3,370,258)	1,620,332	(9,827)
ISL change in basis	-	(430,119)	-
Change in valuation allowance	8,596,225	4,565,087	4,202,070
Recovery of future income taxes	-	(429,055)	-

11. Supplemental cash flow information

	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
	\$	\$	\$
Cash paid during the year for:			
Income taxes, net of refunds received	-	-	-
Interest, net of capitalized interest	-	-	-
Non-cash financing and investing activities:			
Common shares issued for properties	-	712,500	990,000
Common shares and stock options provided for services	-	-	1,003,645
Interest capitalization on New Frontiers obligation	-	-	1,933,645

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12. Financial instruments

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

	As at December 31, 2008	As at December 31, 2007
	\$	\$
<i>Cash and cash equivalents</i>		
Cash on deposit at banks	392,170	215,272
Guaranteed investment certificates	9,087,500	9,687,500
Certificates of deposit	15,288,183	13,748,140
Money market	1,031,882	2,661,845
	<u>25,799,735</u>	<u>26,312,757</u>

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short term investments and bonding deposits. The Company's cash equivalents and short-term investments consist of Canadian dollar and US dollar denominated guaranteed investment certificates and certificates of deposits. They bear interest at annual rates ranging from 0.75% to 3.25% and mature at various dates up to October 12, 2009. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$0.4 million is covered by either the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation, leaving approximately \$64.6 million at risk should the financial institutions with which these amounts are invested cease trading. As at December 31, 2008, the Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through regular cash flow forecasting of cash requirements to fund exploration and development projects and operating costs.

As at December 31, 2008 the Company's liabilities consisted of trade accounts payable of \$2,265,058, all of which are due within normal trade terms of generally 30 to 60 days.

Market risk

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

Interest rate risk

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

Currency risk

The Company incurs expenses and expenditures in Canada and the United States and is exposed to risk from changes in foreign currency rates. In addition, the Company holds financial assets and liabilities in Canadian and

December 31, 2008

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US dollars. The Company does not utilize any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates.

At December 31, 2008 the Company had cash and cash equivalents, short term investments and bonding deposits of approximately US\$26.5 million (US\$18.4 million as at December 31, 2007) and had accounts payable of US\$1.7 million (US\$1.2 million as at December 31, 2007) which were denominated in US dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net US\$ denominated assets and liabilities at year end. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in US\$ foreign exchange rate would have a +/- \$3.0 million impact on net loss for the year ended December 31, 2008. This impact is primarily as a result of the Company having yearend cash and investment balances denominated in US dollars and US dollar denominated trade accounts payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- \$0.6 million impact on net loss for the year ended December 31, 2008. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ from that shown above.

13. Segmented information

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

	December 31, 2008		
	Canada	United States	Total
	\$	\$	\$
Bonding and other deposits	-	2,578,825	2,578,825
Mineral properties	617,160	31,191,661	31,808,821
Capital assets	7,847	1,623,457	1,631,304
Construction in progress	-	323,093	323,093

	December 31, 2007		
	Canada	United States	Total
	\$	\$	\$
Bonding and other deposits	-	1,508,576	1,508,576
Mineral properties	535,570	30,696,802	31,232,372
Capital assets	10,288	893,446	903,734
Construction in progress	-	-	-

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14. Commitments

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

Year ended December 31	Amount \$
2009	337,456
2010	190,271
2011	176,833
2012	117,888
2013 and thereafter	-

15. Capital structure

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

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

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

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

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

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

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<i>Consolidated balance sheets</i>	As at December 31, 2008	As at December 31, 2007
	\$	\$
Total assets		
Total assets under Canadian GAAP	101,533,965	110,931,322
Adjustments made under US GAAP:		
Settlement of New Frontiers obligation (a)	-	2,016,156
Total assets under US GAAP	<u>101,533,965</u>	<u>112,947,478</u>
Total liabilities		
Total liabilities under Canadian GAAP	3,256,634	2,092,296
Adjustments made under US GAAP:		
Flow-through share premium liability (b)	830,000	-
Deferred tax adjustment (c)		(478,000)
Total liabilities under US GAAP	<u>4,086,634</u>	<u>1,614,296</u>
Total shareholders' equity		
Total shareholders' equity under Canadian GAAP	98,277,331	108,839,026
Adjustments made under US GAAP:		
Gain on settlement of New Frontiers obligations (a)	-	2,016,156
Flow-through share premium liability (b)	(830,000)	-
Deferred tax adjustment (c)	-	478,000
Total shareholders' equity under US GAAP	<u>97,447,331</u>	<u>111,333,182</u>

<i>Consolidated statements of operations and comprehensive loss</i>	Year ended December 31, 2008	Year ended December 31, 2007	Year ended December 31, 2006
	\$	\$	\$
Net loss			
Net loss under Canadian GAAP	(17,853,585)	(20,520,323)	(11,943,231)
Adjustments made under US GAAP:			
Gain on settlement of New Frontiers obligation (a)	-	2,016,156	-
Flow-through shares (b)	-	(370,000)	519,500
Net loss under US GAAP, being comprehensive loss	<u>(17,853,585)</u>	<u>(18,874,167)</u>	<u>(11,423,731)</u>
Basic and diluted loss per share under US GAAP	(0.19)	(0.22)	(0.19)

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<i>Consolidated statements of cash flow</i>	Year ended December 31, 2008 \$	Year ended December 31, 2007 \$	Year ended December 31, 2006 \$
<i>Operating activities</i>			
Cash flows used in operating activities under Canadian & US GAAP	(10,547,078)	(15,766,312)	(8,103,016)
<i>Investing activities</i>			
Cash flows used in provided by (used in)investing activities under Canadian GAAP	7,309,370	(53,526,543)	8,819,245
Adjustments made under US GAAP:			
Flow-through cash categorized as restricted cash (b)	(848,607)	(2,653,315)	2,274,251
Cash flows used in operating activities under US GAAP	6,460,763	(56,179,858)	11,093,496

(a) Settlement of New Frontiers obligation

Under US GAAP, early extinguishment of the New Frontiers debt obligation would have resulted in a gain recorded in income related to the accrued interest not payable upon settlement.

(b) Flow-through shares

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

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

Also, notwithstanding whether there is a specific requirement to segregate the funds, the flow-through funds which were unexpended at the consolidated balance sheet dates are considered to be restricted and are not considered to be cash and cash equivalents under US GAAP. As at December 31, 2008, there was \$848,607 (December 31, 2007 - \$nil) in unexpended flow-through cash funds.

(c) Deferred tax asset

The tax basis related to an asset acquired in 2004 when the Company acquired all of the issued and outstanding shares of ISL Resources Corporation was subsequently adjusted in 2007.

(d) Impact of recent United States accounting pronouncements

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In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements in accounting pronouncements where fair value is already the relevant measurement attribute. In November 2007, FASB agreed to a one-year deferral associated with the effective date for nonfinancial assets and liabilities that are recognized or disclosed at fair value on a nonrecurring basis. The Company adopted the applicable portions SFAS 157 effective January 1, 2008. Adoption did not result in a material impact on the consolidated financial statements. The Company is currently assessing the deferred portion of the pronouncement.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115" ("SFAS 159"), which became effective for fiscal years beginning after November 15, 2007. SFAS 159 permits companies to choose to measure many financial instruments and certain other items at fair value on a per instrument basis, with changes in fair value recognized in earnings each reporting period. This will enable some companies to reduce volatility in reported earnings caused by measuring related assets and liabilities differently. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. . The Corporation adopted SFAS 159 on January 1, 2008 and chose not to elect the fair value option for its financial assets and liabilities that had not previously been carried at fair value.

In December 2007, the FASB issued SFAS No. 141(R), "Business Combinations" ("SFAS 141(R)"), which applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. SFAS 141(R) establishes principles and requirements for how the acquirer: i) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree; ii) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and iii) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

In December 2007, FASB issued SFAS No. 160, "*Noncontrolling Interests in Consolidated Financial Statement, - an amendment of ARB No. 51*", ("SFAS 160") which changes the accounting and reporting for minority interests. Minority interests will be recharacterized as noncontrolling interests and will be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control will be accounted for as equity transactions. In addition, net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement and, upon a loss of control, the interest sold, as well as any interest retained, will be recorded at fair value with any gain or loss recognized in earnings. SFAS No. 160 is effective for the Corporation beginning January 1, 2009 and will apply prospectively, except for the presentation and disclosure requirements, which will apply retrospectively.

In May 2008, FASB issued SFAS No. 162 "*The Hierarchy of Generally Accepted Accounting Principles*" ("SFAS 162"). SFAS 162 identifies the sources of generally accepted accounting principles in the United States. SFAS 162 is effective sixty days following the SEC's approval of PCAOB amendments to AU Section 411, "*The Meaning of 'Present fairly in conformity with generally accepted accounting principles'*". The Company is currently evaluating the potential impact, if any, of the adoption of SFAS 162 on its consolidated financial statements.

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

I, W. William Boberg, President and Chief Executive Officer of Ur-Energy Inc., certify the following:

- 1. Review:** I have reviewed the Annual Report on Form 20-F (AIF), if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the Annual Report on Form 20-F (AIF) (together, the “annual filings”) of Ur-Energy Inc. (the “issuer”) for the financial year ended December 31, 2008.
- 2. No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
- 3. Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual 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 financial year end
 - (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 annual 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. Evaluation: The issuer's other certifying officer(s) and I have

- (a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and
- (b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A
 - (i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and
 - (ii) N/A.

7. Reporting changes in ICFR: The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2008 and ended on December 31, 2008 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

8. Reporting to the issuer's auditors and board of directors or audit committee: The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 27, 2009.

/s/ W. William Boberg
W. William Boberg
President & CEO

FORM 52-109F1
CERTIFICATION OF ANNUAL FILINGS
FULL CERTIFICATE

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

- 1. Review:** I have reviewed the Annual Report on Form 20-F (AIF), if any, annual financial statements and annual MD&A, including, for greater certainty, all documents and information that are incorporated by reference in the Annual Report on Form 20-F (AIF) (together, the “annual filings”) of Ur-Energy Inc. (the “issuer”) for the financial year ended December 31, 2008..
 - 2. No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the annual filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the annual filings.
 - 3. Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the annual financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the annual 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 financial year end
 - (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 annual 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. Evaluation: The issuer's other certifying officer(s) and I have

(a) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's DC&P at the financial year end and the issuer has disclosed in its annual MD&A our conclusions about the effectiveness of DC&P at the financial year end based on that evaluation; and

(b) evaluated, or caused to be evaluated under our supervision, the effectiveness of the issuer's ICFR at the financial year end and the issuer has disclosed in its annual MD&A

(i) our conclusions about the effectiveness of ICFR at the financial year end based on that evaluation; and

(ii) N/A.

7. Reporting changes in ICFR: The issuer has disclosed in its annual MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2008 and ended on December 31, 2008 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

8. Reporting to the issuer's auditors and board of directors or audit committee: The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of ICFR, to the issuer's auditors, and the board of directors or the audit committee of the board of directors any fraud that involves management or other employees who have a significant role in the issuer's ICFR.

Date: March 27, 2009

/s/ Roger Smith
Roger Smith
Chief Financial Officer