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April 13, 2017

Dear Fellow Shareholder,

We are pleased to share with you the achievements of another successful year for Ur-Energy. We truly appreciate our shareholders, and fully understand that your support and confidence is something that we must constantly earn through the execution of our business plan and the fulfillment of the commitments that we make. No company takes this responsibility more seriously than Ur-Energy. Under the direction of our Board of Directors and executive management, and with the support of a dedicated team, Ur-Energy continues as a leader in the uranium industry.

2016 in Review

Calendar year 2016 was a year in which the uranium market was defined by spot prices that declined by nearly 50% during the year due to short term oversupply and persistently high global inventories. This resulted in the spot price falling to a twelve year low of \$17.75 during the first week of December. That price marked the low for the year. We are very hopeful that it also represented a long-awaited bottoming of uranium prices in what has proven to be a very challenging post-Fukushima uranium pricing environment. Despite a year which ended with difficult market conditions, our Company distinguished itself by routinely meeting production expectations and providing consistent cash flow from operations. Because of strained market conditions, the decision was made to deliberately reduce costs by slowing development activities at Lost Creek's Mine Unit 2 (MU2) and focus on enhancing production efficiencies at Mine Unit 1 (MU1). This proved to be the right course of action. Our first mine unit at Lost Creek continues to outperform original expectations delivering its two millionth drummed pound to the converter, allowing us to continue fulfilling our long-term sales commitments with US utilities.

Our long-term sales agreements priced well above current market prices continue to distinguish us from our peers. High value contracts are only one side of the equation, though; we must also produce at very low costs to achieve some of the highest operating margins in the industry. Our cash cost per pound sold for 2016 was \$17.15, while our total cost per pound sold was \$28.20. Respectively, this compares to \$16.27 and \$29.53 in 2015. Consequently, we recognized a gross profit of \$11.5 million on sales of \$27.3 million during 2016. Lost Creek continues to demonstrate that it is truly an exceptional producer – the type that comes along perhaps once-in-a-decade. After more than three years of production, MU1 continued to provide reliable, low-cost production with output of approximately 35,000 pounds per month in Q4 2016, a truly remarkable accomplishment at an in-situ recovery project. Together, these factors have resulted in Ur-Energy emerging as the lowest cost producer among all publicly traded companies worldwide!

Since the time of Fukushima (March 2011), we have grown our resources at Lost Creek 250%, with the most recent Lost Creek Preliminary Economic Assessment (February 2016) estimating that life of mine is nearly ten years longer than previously anticipated. We look forward to the reinvigorated development of MU2, as we continue to anticipate that additional resource growth will be realized through that development work. We also made significant refinements in our production and process operations in 2016, following tests conducted in conjunction with bringing the final, originally-planned MU1 header house online. Additionally, we received all necessary regulatory approvals for a Class V water recycling and disposal

circuit: a first in our industry. Since its commissioning in early 2017, this process circuit has already substantially enhanced waste water disposition at the site.

Current Market Conditions

Despite the fact that spot price reached multi-year lows in early December, the uranium market has since seen a rather dramatic reversal of fortunes. This was brought about by very positive developments in uranium market conditions specifically, and in the nuclear industry, in general. It should be noted that, entering the new year, Kazatomprom, along with Cameco and Rio Tinto, have all announced production cuts.

Spot price rebounded to \$26.50/lb. during the first quarter of 2017, a 50% move, which led to an impressive rally in uranium equities across the sector. As a result, we, along with many of our peers, saw a breakout in the price of our stock to new 52 week highs. This movement was underpinned by a substantial rise in trading volume and a noticeable increase in interest from both individual and institutional investors. While spot and equity prices have retraced from their recent highs, both have held their gains nicely and continue to trade in a very healthy and constructive fashion.

There certainly seems to be a renewed sense of optimism in the air with the arrival of the Trump Administration in Washington. No matter with which side of the aisle you identify, the reality is that the new administration has promised (and has already delivered) a far less onerous regulatory environment. This is a very good sign for an industry that has historically been strangled in regulatory red-tape. Additionally, Senate Bill 512 was introduced that would strictly limit DOE sales that have been contributing to price declines in uranium. President Trump has also pledged to re-evaluate “one-sided trade relationships” that favor foreign countries to the detriment of US industries, an issue that is not new to uranium investors who have endured the impact of unrestrained sales of growing quantities of Kazakhstan material into our markets over the last several years. This new political environment should bode quite well for our Company and its shareholders.

2017: A Look Ahead

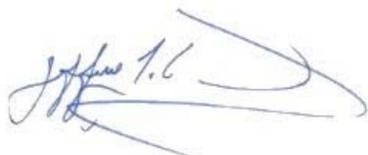
In 2017, we will deliver 600,000 pounds of U₃O₈ under contract at an average price of approximately \$51.00 per pound. Our strategy is to satisfy these deliveries through a combination of purchased and produced pounds. Our Board of Directors has recently made the decision to proceed with the development of the first three header houses in MU2. Bringing MU2 online at a controlled pace will allow us to satisfy a portion of our sales contracts from Lost Creek production with the balance being purchased at current favorable prices. We expect the combined production from MU1 and MU2 to be between 250,000 and 300,000 pounds for the year. We have already begun the implementation of this program in the first quarter of 2017 with stunning results. During the quarter our sales totaled \$14.8 million on contract sales of 250,000 pounds at an average price of \$59.28 per pound. That price was 145% above the average spot price for the same period of \$24.17 per pound. We purchased 200,000 of those pounds at an average cost of \$20.08 per pound with the remaining 50,000 pounds being produced at Lost Creek.

All companies make promises, few keep them! Fukushima was a tragedy of epic proportions that continues to profoundly impact our industry to this day. For many companies this would have provided an opportunity to abandon promises made to their shareholders. Not so for Ur-Energy. The personnel of Ur-Energy are doggedly persistent in the pursuit of our Company’s goals. In the six years following Fukushima, our Company was able to complete all necessary permitting and licensing, build out our processing facility on time and on budget, commission our plant, and successfully become the lowest-cost producer across all publicly-traded companies. Additionally, all but one of the high value contracts that have served to de-risk

our Company and protect our shareholders, were acquired after Fukushima, when others said that it couldn't, or shouldn't, be done. These are outstanding accomplishments that are unmatched among our peers. This is how promises are kept. We couldn't be more proud of our staff and their performance. We hope that you are as well. We offer our sincerest gratitude for your ongoing support and patronage.

Enclosed are our Management Proxy Circular, 2016 Annual Report and other documents relating to the Ur-Energy Inc. Annual and Special Meeting of Shareholders scheduled for May 18, 2017. These documents are also available on our website, www.ur-energy.com. As always, we appreciate the support of our existing shareholders and invite new investors to take a look at Ur-Energy. Building shareholder value is our highest priority. Stay informed by visiting our website at www.ur-energy.com. Contact us by emailing info@ur-energy.com or call us at +1-866-981-4588.

On Behalf of the Board,

A handwritten signature in blue ink, appearing to read "Jeffrey T. Klenda", with a large, sweeping flourish extending to the right.

Jeffrey T. Klenda
Chairman of the Board

Cautionary Note Regarding Forward-Looking Information

This document contains “forward-looking statements” within the meaning of applicable securities laws regarding events or conditions that may occur in the future (*e.g.*, ability to maintain steady state operations and cost efficiencies achieved at Lost Creek; whether long-term sales contracts will continue to protect the Company from fluctuation in the uranium markets; the ability to further expand resources at Lost Creek with additional development work; whether the new administration in Washington will take action to relieve regulatory burdens), and are based on current expectations that, while considered reasonable by management at this time, inherently involve a number of significant business, economic and competitive risks, uncertainties and contingencies. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to, capital and other costs varying significantly from estimates; failure to establish estimated resources; the grade and recovery of ore which is mined varying from estimates; production rates, methods and amounts varying from estimates; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; inflation; changes in exchange rates; fluctuations in commodity prices; delays in development and other factors. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof, and Ur-Energy disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management's beliefs, expectations or opinions that occur in the future.