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March 27, 2018

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 continue to earn through the fulfillment of the commitments that we make. We take this obligation seriously. 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.

### **2017 in Review**

2017 was a year in which the uranium market continued to be challenged by low spot prices, few new term contracts, high global inventories and a further invasion of the U.S. market by foreign imports, particularly from Russia, Kazakhstan, Uzbekistan and increasingly China. With the strength of our term contracts and in determined fashion, our Board made the decision in Q1 2017 to approve a limited construction and development program to initiate operations in the second mine unit at Lost Creek, bringing the first three header houses online to complement the remaining production from our prolific first mine unit, still operating after four years. The limitations of the program, however, required that we again implement a reduction in force in Q1 2017.

The additional production made available for 2017-2018 allowed us to bring forward the value of contracts in later years with the sale of 180,000 pounds  $U_3O_8$  from our inventory in Q3 2017, and to now be growing our inventories for sales when the markets warrant. Moreover, during 2017, we devised a sales strategy by which we are attaining even greater value from our book of term contracts: we balanced the pounds delivered between those produced at Lost Creek and others which were purchased at lower pricing to be resold into our contractual commitments. The result was \$14.0 million in gross profits on sales of \$38.4 million, with \$5.4 million in free cash flows, while not subjecting our shareholders to unwanted dilution. On 780,000 pounds  $U_3O_8$  sold in 2017, we realized an average price per pound sold of \$49.09, as compared to \$39.49 in 2016. Our production costs remain extremely low by industry standards.

### **Market Conditions Including Our Trade Action**

While 2017 began with announcements that Kazatomprom was making significant cuts to production rates, the effects on the spot market were limited in pricing and tenure. Ultimately, the Kazakh reductions were smaller than announced. Late year announcements by Cameco and Kazatomprom again only temporarily buoyed uranium market pricing, particularly when it became known that the announced production cut by Kazatomprom was not, in fact, a cut at all.

At this time last year, we noted the renewed sense of optimism in the air with the arrival of the Trump Administration in Washington. We foresaw a less onerous regulatory environment, which has occurred with additional withdrawals of rulemakings. This is a very good sign for our industry, as is the coming delegation of authority to the State of Wyoming for its Uranium Recovery Program, under which the state will take up the regulatory responsibilities currently held by the NRC, thereby consolidating oversight and reducing redundancies of regulation. This program, under so-called Agreement State Status, is expected to

be approved and implemented in the second half of this year, which will greatly reduce permitting and licensing time and expense for the Company.

Perhaps most importantly, as we witnessed President Trump's pledge to re-evaluate "one-sided trade relationships" which favor foreign countries to the detriment of U.S. industries, we evaluated possible avenues for relief from the unrestrained sales of growing quantities of foreign material from Vladimir Putin and his allies that have flooded our domestic markets over the last several years. Through our process, we recognized the impact to our national security that these and other imports from countries that do not share our democratic values and free markets are having on our domestic markets, and determined to make application under Section 232 of the Trade Expansion Act of 1962 to seek an investigation by the U.S. Department of Commerce. Together with Energy Fuels, we filed our petition in early 2018, which suggests a two-part remedy: establishment of a quota to limit imports of uranium into the U.S., effectively reserving 25% of the U.S. nuclear market for U.S. uranium production, and implementation of a requirement for U.S. federal utilities and agencies to buy U.S. uranium in accordance with the President's Buy American Policy. These remedies are expected to result in U.S. utilities purchasing approximately 12 million pounds of uranium per year from U.S. production, based on recent data. This would be expected to create a healthy U.S. uranium mining industry, bolster national defense, and improve supply diversification for U.S. utilities and their customers.

Rest assured, we intend to protect our employees, our shareholders, our Company and our nation from the growing threat that dependence on foreign uranium products represents. Our growing dependence on Russia and their confederates in Kazakhstan and Uzbekistan is tantamount to playing "Russian Roulette" with our national sovereignty and security. We have tremendous faith that the current leadership in the Department of Commerce and the White House will take decisive action to address the abysmal energy policies of past administrations and move to protect the domestic fuel cycle that is so critical to the safety and self-reliance of our country. In this ongoing endeavor, we must not fail and we shall not fail.

### **A Look Ahead at 2018**

In 2018, we plan to deliver 470,000 pounds of U<sub>3</sub>O<sub>8</sub> under contract at an average price of approximately \$49.00 per pound (current average spot price is \$21.38). We have entered into purchase agreements for 460,000 pounds at an average of \$24 per pound, and have scheduled our deliveries for the first half of the year. We expect the production at Lost Creek to be between 250,000 and 350,000 pounds for the year, from which we expect to build a strong inventory position at the conversion facility.

There are multiple very real prospective catalysts to the uranium industry today. Although the markets remain depressed, we are optimistic about the pending trade action. We contend that in the history of Section 232 trade actions, that there has never been one that is more vital to the security of our nation. Beyond that, however, current supply-demand fundamentals demonstrate that a true growth for the industry is upcoming: there are more than one billion pounds of uncontracted requirements internationally in the next decade; most projections indicate a 3.1% annual demand growth through 2025; 61 reactors are under construction and, most recently, Japanese restarts are occurring and have been facilitated by recent judicial determinations. Cameco's announcement of production cuts, as well as other reductions and full-on mine closures have brought down the supply rates in meaningful fashion. Overall, we believe that the positive supply-demand fundamentals will begin to reassert themselves in the global uranium marketplace throughout this year.

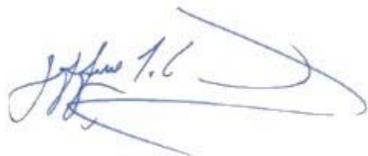
Additionally, the world's largest producer of uranium, Kazatomprom, has announced that they will go public through an initial public offering (IPO) later this year. We believe that they will act in their own

interests and be forced to engage in legitimate production cuts in order to ensure a successful IPO. If so, their actions could have a significant impact on uranium prices globally.

As we have said before, our personnel at Ur-Energy are doggedly persistent in the pursuit of our Company's goals. We have kept promises made nearly a decade ago to develop and build out Lost Creek. It is now among the premiere uranium facilities in the world. We have taken actions to bring positive change for the entire uranium mining industry in the U.S. through our filing of the Section 232 trade action. We have been resolute in implementing necessary measures to change our sales strategy, to further reduce our expenditures and made the difficult decisions to reduce our workforce to fit our operational plans. Through it all, our people make our successes possible through their hard work, initiative, and innovative approaches to the operation of this Company. I would like to express my deep appreciation for their many contributions. We couldn't be more proud of our staff and their performance. We hope that you are as well. We offer our sincere gratitude for your ongoing support and patronage.

Enclosed are our Management Proxy Circular, 2017 Annual Report and other documents relating to the Ur-Energy Inc. Annual and Special Meeting of Shareholders scheduled for May 3, 2018. These documents are also available on our website, [www.ur-energy.com](http://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](http://www.ur-energy.com). Contact us by emailing [info@ur-energy.com](mailto:info@ur-energy.com) or call us at +1-866-981-4588.

On Behalf of the Board,



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 relative cost efficiencies previously achieved at Lost Creek while operating at lower production rates; whether long-term sales contracts will continue to protect the Company from fluctuation in the uranium markets, including whether additional term agreements will be available; whether the new administration in Washington will take action to relieve regulatory burdens; the outcome of the Department of Commerce Section 232 investigation, including whether the Secretary of Commerce will make a recommendation to the President and the nature of the recommendation; whether the President will act on the recommendation and, if so, the nature of the action and remedy; the expected benefits of the proposed remedies, including: the expected impacts on U.S. production and the U.S. uranium mining industry, the expected impacts on purchases of U.S. production by U.S. utilities, the expected impacts on supply diversification and the expected benefits of such diversification on domestic utilities and national defense, the expected ability of the U.S. uranium mining industry to reliably supply the required domestic uranium production, the expected impact of the proposed remedy on the reduction of dependence on imports; the expected impact on pricing for U.S. uranium production; the impacts of success or failure of the ongoing endeavor toward the trade action; and the effects of

prospective catalysts in the uranium market, including the effects of a Kazatomprom initial public offering on the market, if any), 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.