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March 26, 2019

Dear Fellow Shareholder,

We truly appreciate our shareholders, and fully understand that your support and confidence is something that we must continue to earn by fulfilling the commitments that we make. We take these obligations 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.

We are very pleased to share with you the achievements of another successful year for Ur-Energy.

### **2018 In Review**

2018 was a year of continued adverse conditions in the uranium market characterized by low global prices, high global inventories, a paucity of new term contracts, and the unrelenting dumping of low-cost product into the U.S. market by state-owned enterprises in Russia, Kazakhstan, and Uzbekistan. While those factors constituted little change from what we have experienced over the last several years in the post-Fukushima environment, 2018 was nonetheless an eventful, and potentially pivotal, year in our market. The single most impactful event may very well have been the filing of our Section 232 Petition with the Department of Commerce (DOC) in January 2018. The Petition seeks to defend our country's ability to maintain self-reliance based on the critical role that uranium production plays in our national security.

In addition to our efforts to advance the Section 232 Trade Action, 2018 was also a year in which the Company achieved many operational milestones, overcame obstacles and even saw the introduction of a Nevada gold project which we are now progressing. Additionally, our future licensing should be greatly facilitated by the fact that the State of Wyoming became the 38<sup>th</sup> state to achieve Agreement State status.

There were also many changes in supply and demand of uranium both in the United States and globally. Supply was bolstered by many new institutional investors entering the market on the buy side, as well as the formation of three new trading entities, multiple new uranium hedge funds, and a yellowcake physical fund out of London that went public in the summer of 2018. The institutional investors alone accounted for more than 15 million pounds of additional uranium buying in the marketplace. While uranium mining is very much a growth story with global demand increasing at over three percent per year, more than 50 reactors worldwide under construction, and nine new reactors beginning operation throughout the year and an equal number expected for this year, the persistent low prices have also resulted in supply destruction with multiple closures around the world that resulted in more than 20 million pounds of current production being taken off line. Market characteristics like these may permit the uranium markets to regain equilibrium.

Consequently, our Board developed a strategy whereby production would be limited to continued production out of our prolific first mine unit (MU1) while maximizing production from the first three header houses that were completed during our 2017-2018 development program in our second mine unit (MU2). We considered these to be market-appropriate levels of production that would accomplish the objective of striking a balance between the pounds that we produced at our Lost Creek facility and the pounds that we purchased in the marketplace for delivery into our long-term contracts. This strategy allowed us to satisfy our contractual obligations while simultaneously maximizing our margins, building inventory and

preserving our inground resources for future production in what we hope will be greatly improved market conditions.

### **Lost Creek Operations**

Lost Creek celebrated its fifth anniversary in August and after those five years of continuous operation, our production now stands at approximately 2.7 million pounds captured through the end of 2018. During this time, we delivered approximately 2.2 million pounds of Lost Creek production to our customers as well as another 1.2 million of purchased pounds, for a total of 3.4 million pounds sold. MU1 has now achieved a recovery of 92% of the estimated under-pattern resource; this compares to industry standards in the 70% to 80% range. Additionally, Lost Creek's MU2 has already recovered more than 65% of under-pattern resources in the first three header houses, in only approximately one year's-time. Total production for the year was just over 302,000 captured pounds, nearly all of which was retained in inventory. It should also be noted that we completed the year with a perfect safety record with no lost time injuries. It would be difficult to overstate the high level of proficiency and creativity that our operational staff has demonstrated over the last five years.

### **Financial Results**

Our Company has continued to set a high standard for performance under incredibly challenging industry conditions. We ended the year with cash and cash equivalents of \$6.4 million, based upon proceeds from our deliveries into term and spot contracts, the monetization of a portion of a future delivery commitment and a strategic equity raise. The Company recognized a gross profit of \$11.3 million on sales of \$23.5 million during the calendar year which represented a gross profit margin of 48%. We are very pleased to have reported positive earnings of \$0.03 per share while building our inventory position to over 375,000 pounds of finished product that readily can be sold into the marketplace. Our Company has distinguished itself during these trying times by focusing on true fundamental measures of business performance, such as receiving the highest value from our long-term sales agreements while keeping our cash operating costs as low as reasonably possible. All the while, we have maintained and grown our Lost Creek assets and retained our core technical and management staff. This has been no small feat in the market conditions of recent years that have resulted in the idling and closure of most other U.S. uranium production facilities that simply cannot sustain themselves in this persistent low-price environment. It was for these reasons that we and our co-petitioner, Energy Fuels, were compelled to file the Section 232 Trade Action.

### **Section 232 Update**

The United States now finds itself in the untenable position of importing more than 98% of its nuclear fuel. Recently, approximately 40% of these imports has come from antagonistic countries that do not share our democratic values. We are perilously close to losing the nuclear fuel cycle in this country and, with it, our seat at the international non-proliferation table. Sadly, in 2019, we are projected to produce less than 500,000 pounds of primary mine production in the U.S., which would represent the lowest level of production since 1949, before the U.S. had a civilian nuclear electricity capability. It's difficult to fathom how past presidential administrations could have allowed something as critical as our domestic nuclear fuel independence to decline to a level of virtual extinction. Something had to be done.

Under those circumstances, the Section 232 Petition was filed on January 16, 2018, and the DOC announced its formal initiation of its investigation on July 18, 2018. While we were disappointed by the six-month delay in the commencement of the investigation, it did begin the finite process that is defined under Section 232. Once the investigation was begun, the DOC has 270 days during which it must conduct its investigation into the extreme dependence on foreign-sourced nuclear fuel and the threat that it poses to our national security. The process will culminate in presenting the President with a report detailing DOC's findings and

making its recommendations as to remedies that it deems necessary to address this crisis. The report is due on or about April 14, 2019. After receiving the report, the President has 90 days to make his determination as to what, if any, remedies he feels are appropriate.

### **Guidance**

At February 27, 2019, our unrestricted cash position was \$6.4 million. For 2019, we have suspended further MU2 development activities, implemented further cost reductions, and secured purchase contracts for 100% of our 2019 delivery obligations. Operating costs in 2019 are expected to be lower than 2018 because of the suspended MU2 development activities. Other costs including capital expenditures and loan repayments should be similar to 2018.

We expect to sell 500,000 pounds under term contracts at an average price of approximately \$49/lb. in 2019. We have corresponding purchase contracts in place for all 500,000 pounds at an average cost of approximately \$26/lb. We expect our gross profit in 2019 to be approximately \$11.5 million from the sale of purchased product, representing a cash-basis gross profit margin of between 45% and 50%. We are not currently forecasting any spot sales in 2019; we may, however, choose to sell additional produced product depending on market conditions. We have over 375,000 pounds of finished, ready-to-sell, product inventory in storage at the conversion facility. The value of this inventory can readily be converted to cash on an as-needed basis. Production from our operating MU1 and MU2 header houses, expected to be between 75,000 and 100,000 pounds, will be used to further build our inventory position of finished product at the conversion facility.

Most importantly, the actions we have taken, together with our current cash, inventory, and sales contract positions, will give the Company the additional flexibility necessary to quickly react to changing market conditions and easily re-start development activities in MU2 when warranted. With future development and construction in mind, the staff who have been retained have the greatest level of experience and adaptability allowing for an easier transition back to full operational capacity. Lost Creek operations could increase production rates in as little as six months following a go decision simply by developing additional header houses within the fully-permitted MU2. Development expenses during this time are estimated to be approximately \$14 million and are almost entirely related to MU2 drilling and header house construction costs. Lost Creek does not require any significant capital expenditures to increase production. The Lost Creek plant has been very well maintained and is fully ready to receive additional flows for increased production when warranted. Through another challenging year, our staff and management not only remained focused on current operational excellence but are steadfast in their optimism that a favorable outcome to the Section 232 trade action in 2019 will provide the opportunity to return to full production operations at Lost Creek while also beginning development and construction of our Shirley Basin Project in neighboring Carbon County. That outlook has fueled planning for these ramp-ups, which we are hopeful may begin as early as Q3 2019.

### **Closing**

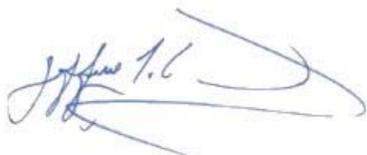
All companies make promises, few keep them. We are proud of the fact that we have successfully delivered on every promise that we have made to the marketplace and in the process built what we believe is the single best company in the uranium space! These accomplishments are even more notable considering the extremely difficult conditions that have existed over the last 10 years. With the filing of Section 232, we are engaged in a battle not just for the ongoing viability of our Company, but also the preservation of our country's self-reliance in providing for nuclear fuel that is so critical to our electrical grid and our military's nuclear deterrent. But there is much more at stake. If the United States loses its nuclear fuel cycle, it is

effectively ceding nuclear technological supremacy and its role as the primary deterrent to nuclear proliferation globally to the Russians and Chinese.

It is not often that a company of our size and stature in our industry finds itself in a position where it can impact the security of its home country and of the free world, yet that is precisely the struggle in which we are engaged. This is a righteous and just fight; one that we dare not lose!

Enclosed are our Management Proxy Circular, 2018 Annual Report of Form 10-K and other documents relating to the Ur-Energy Inc. Annual and Special Meeting of Shareholders scheduled for May 2, 2019. 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,

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.*, whether uranium is and will remain a growth story; whether uranium markets will regain equilibrium; the ability to maintain operations and relative cost efficiencies at Lost Creek while operating at lower production rates; whether recovery rates in other mine units at Lost Creek will resemble results to date in MU1 and MU2; whether additional term sales agreements will be available; whether future sales revenues will be similar to 2018; the outcome of the Department of Commerce Section 232 investigation, including whether the report will make recommendations to the President and the nature thereof; whether the President will act on the recommendations and, if so, the nature of the actions and remedy; the impacts of success or failure of the ongoing trade action; and the effects of prospective catalysts in the uranium market), 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 described in the public filings made by the Company at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). 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.