AMENDED PRELIMINARY ECONOMIC ASSESSMENT OF THE LOST CREEK PROPERTY SWEETWATER COUNTY, WYOMING

Prepared for Ur-Energy Inc.

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REPORT for NI 43-101

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Effective Date: October 15, 2015
Publication Date: January 19, 2016
Amended Date: February 8, 2016

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This Canadian National Instrument 43-101 Preliminary Economic Assessment titled “AMENDED PRELIMINARY ECONOMIC ASSESSMENT OF THE LOST CREEK PROPERTY, SWEETWATER COUNTY, WYOMING” dated February 8, 2016 (effective date, October 15, 2015) has been prepared and signed by the following authors:

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Dated at Bozeman, Montana

February 8, 2016

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Dated at Casper, Wyoming

February 8, 2016

TABLE OF CONTENTS

List of Tables

List of Figures

Abbreviations

AEC	U.S. Atomic Energy Commission
bgs	Below ground surface
BLM	U.S. Bureau of Land Management
CAPEX	Capital Expenditure
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
DDW(s)	Deep Disposal Well(s)
DEF	Disequilibrium Factor
DOE	U.S. Department of Energy
eU_3O_8	equivalent U_3O_8 as measured by a calibrated gamma instrument
EMC	Energy Metals Corporation
EMT	East Mineral Trend, located within the LC East Project
EPA	U.S. Environmental Protection Agency
ESA	Endangered Species Act
ft.	Feet
GDB	Great Divide Basin
GIS	Geographic Information System
gpm	Gallons Per Minute
GT	Grade x Thickness product (% ft.) of a uranium intercept (expressed without units)
HDPE	High density polyethylene pipe
HH(s)	Header house(s)
HPU	High Plains Uranium, Inc.
ISL	In Situ Leach
ISR	In Situ Recovery
IRR	Internal Rate of Return
IX	Ion Exchange
K	Thousand
kWh	Kilowatt-hours
LC	Lost Creek ISR, LLC, operating company for Lost Creek Project; wholly-owned subsidiary of Ur-Energy Inc.
lbs.	Pounds
LoM	Life of Mine
M	Million
MMT	Main Mineral Trend, located within Lost Creek Project
MU1	Mine Unit 1, Lost Creek Project
MU2	Mine Unit 2, Lost Creek Project
NI 43-101	Canadian National Instrument 43-101 (Standards of Disclosure for Mineral Projects)
NPV	Net Present Value
NRC	U.S. Nuclear Regulatory Commission
OPEX	Operating Expenditure
PEA	Preliminary Economic Assessment (per NI 43-101)
PFN	Prompt Fission Neutron, logging technology
PNC	Power Nuclear Corporation
PVC	Polyvinyl chloride pipe
R	Range
RA	Resource Area
SME	Society for Mining, Metallurgy & Exploration
SR	State Route
T	Township

U	Uranium in its natural isotopic ratios
U1	Uranium One Americas, Inc.
UIC	Underground Injection Control (pursuant to U.S. Environmental Protection Agency regulations)
URE	Ur-Energy Inc.
U.S.	United States
USFWS	U.S. Fish and Wildlife Service
U_3O_8	A standard chemical formula commonly used to express the natural form of uranium mineralization. U represents uranium and O represents oxygen.
^{235}U	Uranium isotope with 235 neutrons
WDEQ	Wyoming Department of Environmental Quality
WY	Wyoming

1.0 SUMMARY

This Amended Preliminary Economic Assessment (PEA) for the Lost Creek Property (the Property) has been prepared for Ur-Energy Inc. (URE) and its subsidiary, Lost Creek ISR, LLC (LC), by Douglass H. Graves, P.E., TREC, Inc. (TREC) and James A. Bonner, C.P.G., Vice President Geology, URE, in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Its objective is to disclose recent changes for the Property which come in the form of an updated mineral resource estimate prompted by recent drilling within Lost Creek's Mine Unit 2 (MU2), exploratory drilling at the Lost Creek and LC East Projects, and the re-estimation of all previously-identified resources for the Property at a revised 0.20 grade-thickness (GT) cut-off. The economic analyses within this PEA have been revised to evaluate the impact of additional identified resources with information and data acquired through two years of ISR operations at Lost Creek. This report therefore serves to replace the last economic analyses for the Property from December 2013 (ref., TREC, 2013) and the most recent NI 43-101 Technical Report on the Lost Creek Property, dated June 17, 2015 (ref., TREC, 2015) which is amended February 8, 2016 to include Tables 11a and 12a, supporting details. This report covers production through September 30, 2015 and drilling and other exploration and operational activities conducted through October 15, 2015.

On June 17, 2015, URE published an independent Technical Report for the Lost Creek Property to report increased resources for its operating Mine Unit 1 (MU1) and from exploration drilling conducted early in 2015. In order to reconcile higher-than-expected uranium recoveries from production operations in this mine unit, the grade thickness (GT) cutoff for uranium intercepts used in resource estimation was lowered from 0.30 to 0.20. Employing these revised guidelines, resources for MU1 were re-mapped and re-evaluated, increasing the MU1 Measured Resources by 55% (after subtraction of MU1 production). Through the monitoring of continued production from MU1, the authors believe the 0.20 GT better represents the in-situ uranium resources for the Property. Accordingly, for this PEA, all resource estimations for Lost Creek Property have used the new 0.20 GT cutoff, again, following re-mapping and re-evaluation.

Review of the mineral resource estimate by an independent party is not necessary in this instance to comply with NI 43-101 which requires an independent review when the total mineral resource has increased by more than 100% since the last independent review. Since the June 17, 2015 Technical Report, our activities have resulted in a cumulative increase of mineral resources at the Lost Creek Property of 31% in the Measured and Indicated categories and 28% in the Inferred category.

The Lost Creek PROPERTY represents the composite of six individual contiguous PROJECTS:

Lost Creek Project
LC East Project
LC West Project
LC North Project
LC South Project
EN Project

The fully-licensed and operating Lost Creek Project is considered the core project while the others are collectively referred to as the Adjoining Projects. The Adjoining Projects were acquired by URE as exploration targets to provide resources supplemental to those recognized at the Lost Creek Project. Most were initially viewed as stand-alone projects, but expanded over time such that collectively they represent a contiguous block of land along with the Lost Creek Project.

The Lost Creek Property is located in the northeast corner of Sweetwater County, approximately 90 miles southwest of Casper, Wyoming. Current total acreage is approximately 42,372 acres of federal mineral claims and state of Wyoming mineral leases (Figure 1).

The Lost Creek Property is situated in the northeastern part of the Great Divide Basin (GDB), which is underlain by up to 25,000 ft. of Paleozoic to Quaternary sedimentary units. Rock outcrops in the GDB are dominated by the Battle Spring Formation of Eocene age, which also hosts the uranium mineralization considered in this PEA. The dominant lithology in the Battle Spring Formation is coarse arkosic sandstone, interbedded with intermittent mudstone, claystone and siltstone. Deposition occurred as alluvial-fluvial fan deposits within a south-southwest flowing paleo-drainage.

Exploration in the Lost Creek region started in the mid-1960s. Several companies explored portions of the current Property during this early period and continued to advance the uranium discoveries until 1983 when market conditions declined. New Frontiers Uranium, LLC acquired the Lost Creek Project in 2000 and held it until 2005 when Ur-Energy USA Inc. purchased 100% ownership of the property through the purchase of a wholly-owned company, NFU Wyoming, LLC.

The uranium mineralization occurs as roll front type deposits formed where uranium precipitated from oxidizing groundwater when it contacted reduced host rock. The majority of known, potentially recoverable uranium throughout the Lost Creek Property occurs within two major mineralized trends. The Main Mineral Trend (MMT) lies within the Lost Creek Project and the East Mineral Trend (EMT) occurs in the LC East Project. The main mineralized stratigraphic intervals are identified by URE as the HJ and KM Horizons of the Battle Spring Formation. Additional uranium has been identified in the overlying FG and DE Horizons and also in the underlying Deep Horizons.

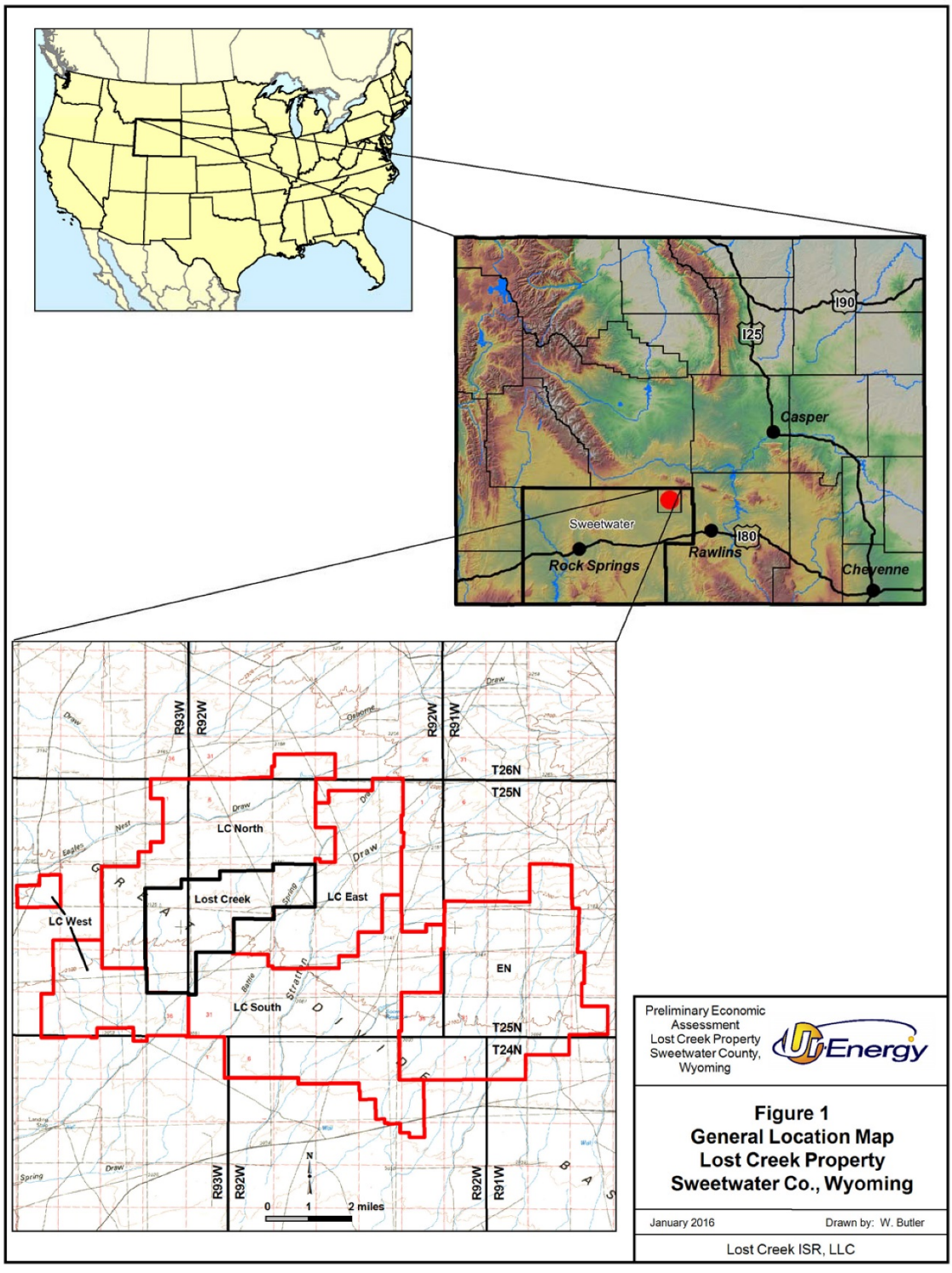
Construction of the Lost Creek plant and installation of MU1 was initiated in October 2012. Production operations in MU1 within the HJ Horizon began on August 2, 2013 and, through September 30, 2015, 1,358,407 pounds of uranium have been produced from this mine unit. For this PEA, in order to accurately reflect existing resources, all resources produced through September 30, 2015 have been subtracted from total Measured Resources from the HJ Horizon in MU1. All the wells to support the originally-planned 13 header houses (HHs) have been completed. Surface installations for HHs 1-1 through 1-12 have been installed and HHs 1-1 through 1-11 were operational as of October 15, 2015.

All monitor ring wells have been installed and pump-tested in MU2. As of October 15, 2015, 138 pattern wells have been piloted within HHs 2-1, 2-2 and 2-3. Additionally, two applications for amendments to the license and permits have been submitted; as relevant to this report, the two applications seek to authorize production in the KM Horizon within the Lost Creek Project and to authorize production in the HJ and KM Horizons within the EMT in the LC East Project.

The resource estimate in the June 17, 2015 Technical Report (ref., TREC, 2015) has been updated based on the following new data sources:

1. As of October 15, 2015, 138 close-spaced pattern wells had been piloted, 20 monitor wells had been completed and 22 delineation holes drilled within MU2. In addition to this newly-acquired data, all existing drill hole data within MU2 were re-evaluated, using a 0.20 GT cutoff, and included in the MU2 resource estimate.

Figure 1: General Location Map



2. The results from the second phase of the 2015 exploratory drilling program. Fifty-nine drill holes were completed during this phase, adding 18,423 pounds of Measured and Indicated resources, and 201,785 pounds of Inferred resources since the 2015 Technical Report (ref., TREC, 2015).
3. All resources throughout the entire Lost Creek Property were updated using a 0.20 GT cut-off in the revised resource estimation process.

Updated resource estimations based on the first phase of the 2015 exploration program and final pattern drilling within MU1 were disclosed in the 2015 Technical Report (ref., TREC, 2015).

The current mineral resource estimate for the Lost Creek Property, after subtracting 1.358 million pounds of uranium produced from MU1 through September 30, 2015, is 13.251 million pounds in the Measured and Indicated categories, and 6.439 million pounds eU_3O_8 in the Inferred category. In general, the current resource estimate represents a net increase to the Lost Creek Property (all Projects) of 3.146 million pounds eU_3O_8 in the Measured and Indicated categories (after adjustment for MU1 production) and 1.402 million pounds eU_3O_8 in the Inferred category when compared to the previous estimate in the June 17, 2015 Technical Report. This represents a 31% and 28% increase in the respective categories. The updated resource estimate is summarized in Table 1.

Mr. Bonner, C.P.G., is of the opinion that the classification of the resources as stated meets the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) definitions as adopted by the CIM Council on May 10, 2014 (CIM Council, 2014). The mineral resource estimates in this PEA, based on historical and recent drilling, were reviewed and accepted by Mr. Bonner.

Table 1: Lost Creek Property – Resource Summary

	Measured			Indicated			Inferred		
Project	AVG GRADE % eU_3O_8	SHORT TONS (X 1000)	POUNDS (X 1000)	AVG GRADE % eU_3O_8	SHORT TONS (X 1000)	POUNDS (X 1000)	AVG GRADE % eU_3O_8	SHORT TONS (X 1000)	POUNDS (X 1000)
LOST CREEK	0.048	8,339	**7,937**	0.046	3,831	**3,491**	0.046	3,116	**2,844**
MU1 Production through 09/30/2015	0.048	-1.415	**-1,358**						
LC EAST	0.052	1,392	**1,449**	0.041	1,891	**1,567**	0.042	2,954	**2,484**
LC NORTH	-----	-----	-----	-----	-----	**-----**	0.045	645	**581**
LC SOUTH	-----	-----	-----	0.037	220	**165**	0.039	637	**496**
LC WEST	-----	-----	-----	-----	-----	-----	0.109	16	**34**
EN	-----	-----	-----	-----	-----	-----	-----	-----	-----
GRAND TOTAL	**0.048**	**8,316**	**8,028**	**0.044**	**5,942**	**5,223**	**0.044**	**7,368**	**6,439**
			MEASURED + INDICATED =		**14,258**	**13,251**			

1. Sum of Measured and Indicated tons and pounds may not add to the reported total due to rounding.
2. % eU_3O_8 is a measure of gamma intensity from a decay product of uranium and is not a direct measurement of uranium. Numerous comparisons of eU_3O_8 and chemical assays of Lost Creek rock samples, as well as PFN logging, indicate that eU_3O_8 is a reasonable indicator of the chemical concentration of uranium.
3. Table shows resources based on grade cutoff of 0.02 % eU_3O_8 and a grade x thickness cutoff of 0.20 GT.
4. Measured, Indicated, and Inferred Mineral Resources as defined in Section 1.2 of NI 43-101 (the CIM Definition Standards (CIM Council, 2014)).
5. Resources are reported through October 15, 2015.
6. All reported resources occur below the static water table.
7. 1,358,407 lbs. of uranium have been produced from the HJ Horizon in MU1 (Lost Creek Project) as of September 30, 2015.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The majority of resources within the Lost Creek Property have been geographically allocated to 12 designated Resource Areas (RAs) which represent the accumulation of resources within a given horizon in a given area. Economic analyses in this PEA are performed solely on these designated areas, due to the vertical and lateral continuity of the resources. Resource Areas (RAs) represent precursors to potential mine units (wellfields), as discussed in Section 16.2 and 22.1. To date, RAs 1 and 2 have been converted to Mine Units 1 and 2, respectively. At the current time, approximately 87% of the total Lost Creek Property resources, as presented in Table 1, are contained within Resource Areas.

Cautionary statement*: *This Amended Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is increased risk and uncertainty to commencing and conducting production without established mineral reserves that may result in economic and technical failure which may adversely impact future profitability. The estimated mineral recovery used in this Amended Preliminary Economic Assessment is based on recovery data from wellfield operations to date, as well as Ur-Energy personnel and industry experience at similar facilities. There can be no assurance that recovery at this level will be achieved.

The Authors have assumed that URE's operations at the Property will be conducted in conformance with applicable laws, regulations and requirements of federal, state and local agencies. It is also assumed that organization and management controls have been and will continue to be established to ensure compliance with applicable regulations and to implement URE's policy for providing a safe working environment including the philosophy of maintaining radiation exposures As Low As Reasonably Achievable (ALARA).

The new resources identified via the recent activities and evaluations have been added to the Lost Creek production plan and provide a positive impact on the possible economics of the Property. Using the estimated CAPEX, OPEX and closure costs presented herein, a cash flow statement has been developed and is provided in Section 21.0 (Capital and Operating Costs). The statement assumes no escalation, and no debt, interest or capital repayments. It also does not include depreciation. It should be noted that Lost Creek ISR, LLC is the recipient of a State of Wyoming Taxable Industrial Development Bond (URE News Release, October 24, 2013). Debt interest and repayment of this bond is not included in the economic analysis. This information is discussed in more detail in Section 22.0 to Section 22.2 and summarized in the following Table 2.

The economic analyses presented herein provide the results of the analyses for pre- income tax and post-income tax, which includes U.S. federal and Illinois state income taxes. There is no State of Wyoming income tax and all sales are assumed to take place in Illinois where the conversion facility is located. The only difference between the two scenarios is the value of the estimated income taxes. All other sales, property, use, severance and conservations taxes as well as royalties are included in both scenarios. Both economic analyses presented herein assume no escalation and no debt, interest or capital repayments. Ur-Energy USA Inc. files consolidated federal tax returns in the United States and had approximately $94.5 million in tax loss carry forwards as of December 31, 2014. The Company does not anticipate paying any significant federal income taxes until the existing, and any future, tax loss carry forwards are utilized. In addition, reclamation costs can be deducted in the early years of the project, thus also pushing out the tax liability.

Table 2: Summary of Economics

Economic Parameter	Units	Pre-income Tax	Post-income Tax
Initial CAPEX [1]	US$ 000s	$ -	$ -
Sustaining CAPEX	US$ 000s	$ 3,639	$ 3,639
LoM OPEX	$ / Lb	$ 14.58	$ 14.58
Income Taxes	$ / Lb	$ -	$ 7.32
Total Cost per Pound	$ / Lb	$ 29.29	$ 36.61
Production	Lb 000s	13,793	13,793
Net Cash Flow	US$ 000s	$ 510,903	$ 409,035
NPV $_{8\%}$	US$ 000s	$ 250,426	$ 207,553
IRR (adjusted for Undepreciated Initial Capital) [2]	%	53.7%	50.9%

1. Initial capital costs of $46.5 million were incurred and expended prior to the starting date (September 30, 2015) of this economic analyses. Because there are no additional cash expenditures required for initial capital, they are therefore excluded from the cash flow and NPV calculations.
2. As of September 30, 2015, Lost Creek had $41.0 million of undepreciated, initial capital assets that will be charged against operations over time. By including the undepreciated, initial capital assets, an IRR can be calculated. Without these costs, an IRR cannot be calculated.

The sale price for the produced uranium is assumed to vary based on an average of the projections of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual contractual commitments URE has in place. The revenue for the cash flow estimate was developed using the GT contour mineral resource estimate for the MMT and EMT, and further assumed that, based on an 80% recovery factor, approximately 13.8 million pounds of U_3O_8 will be recovered from the MMT and EMT at the Lost Creek Property.

Remaining CAPEX costs are for sustaining capital requirements at the mine site and are primarily associated with the replacement of equipment that will be used in the future operations of the plant and the wellfields. The sustaining capital cost is estimated to be $3.6 million. In addition, although not considered sustaining capital, costs are included in this analysis for the installation of two additional deep disposal wells at an estimated cost of $6.2 million. The sustaining capital estimate is based on the actual previous purchases of the same equipment and/or vendor prices, thus the predicted level of accuracy of the sustaining capital estimate is +/- 10%.

URE purchased and paid for the processing plant and much of the first mine unit prior to the commencement of operations in 2013 and prior to the starting date of this economic analysis (ref., TREC, 2013). Those initial capital costs totaled approximately $46.5 million and are not included in this economic analysis because they were previously incurred.

OPEX cost estimates were developed by evaluating each process unit operation and associated operating services (power, water, air, waste disposal), infrastructure (offices, shops), salary plus burden, and environmental control (heat, air conditioning, monitoring). The OPEX estimate is based on URE's current operating costs, budgets, development plan, deliverables, process flow sheets, process design, materials balance and project manpower schedule. The annual OPEX is provided in Section 21.0.

Construction of the plant and first mine unit (wellfield) began in October 2012. Plant construction was completed in the third quarter of 2013. Wellfield drilling and construction activities have been completed to various levels with the majority of the work occurring in the first mine unit and a portion of the drilling occurring in the second mine unit.

Subsequent to initial capital purchases, all other installation costs have been expensed. These include additional construction in the first mine unit, installation of the monitor well ring in the second mine unit and the drilling and construction of the third deep disposal well. The Net Present Value (NPV) calculations assume that cash flows occur in the middle of the accounting periods. The NPV is calculated from the discounted cash flow model and is based on the CAPEX, OPEX and closure cost estimates, a variable future uranium price and the anticipated production schedule. The Project is estimated to generate net cash flow over its life, before income tax, of $510.9 million and $409.0 million after income tax. Payback of the initial capital investment is estimated during the second quarter of 2018. The Project has a calculated before tax IRR of 53.7% and a before tax NPV of $250.4 million applying an eight percent discount rate. When income taxes are included in the calculation, the after tax IRR is 50.9% and the after tax NPV is $207.6 million applying an eight percent discount rate. Life of mine (LoM) operating costs are approximately $29.29 per pound of U_3O_8 produced including royalties and local taxes. Income taxes are estimated to be $7.32 per pound. A summary of the current project economics is presented below in Table 3 and is discussed in more detail in Section 22.2.

The Authors find the Property is potentially viable based on the assumptions contained herein. There is no certainty that the mineral recovery or the economic analyses presented in this PEA will be realized. In order to realize the full potential benefits described in this PEA the following activities, as discussed in Section 26.0 (Recommendations), are required:

- Further development of Mine Unit 2;
- Continuation of permit amendment process for the required permits and approvals for KM production and LC East production.

Table 3: Cash Flow Summary

Cash Flow Line Items	Units	Total	US$ per Pound
Pounds produced	Lbs	13,793,111	
Pounds sold	Lbs	13,918,348	
Sales	US$ 000s	$ 919,051	$ 66.03
Royalties	US$ 000s	$ (489)	$ (0.04)
Net sales	**US$ 000s**	**$ 918,562**	**$ 66.00**
Wyoming severance tax	US$ 000s	$ (21,947)	$ (1.58)
Sweetwater ad valorem tax	US$ 000s	$ (35,811)	$ (2.57)
Operating costs (see Table 11)	US$ 000s	$ (202,933)	$ (14.58)
Wellfield development	US$ 000s	$ (135,333)	$ (9.72)
Exploration cost	US$ 000s	$ -	$ -
Sweetwater property tax	US$ 000s	$ (1,817)	$ (0.13)
Working capital changes	US$ 000s	$ -	$ (0.00)
Project cash flow	**US$ 000s**	**$ 520,721**	**$ 37.41**
Initial capital	US$ 000s	$ -	$ -
Future disposal wells	US$ 000s	$ (6,179)	$ (0.44)
Sustaining capital	US$ 000s	$ (3,639)	$ (0.26)
Net cash flow before tax	**US$ 000s**	**$ 510,903**	**$ 36.71**
Federal income tax	US$ 000s	$ (79,182)	$ (5.69)
State income tax	US$ 000s	$ (22,686)	$ (1.63)
Net cash flow after tax	**US$ 000s**	**$ 409,035**	**$ 29.39**

1. Production is based on an 80% recovery of the total of Measured, Indicated and Inferred resources in the 12 RAs of the MMT and EMT.
2. Uranium price is a combination of the projections of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual commitments URE has in place.
3. All amounts in US $ 000s.
4. Wellfield development includes wellfield drilling and wellfield construction costs.
5. Working capital changes are primarily related to annual cash flow timing differences in accounts receivable and accounts payable and totals to zero.
6. Pounds sold exceeds pounds produced due to existing inventories.
7. The NPV and IRR calculations are based on Year 2015 to Year 2036.

2.0 INTRODUCTION

TREC, Inc. (TREC), has been retained by Ur-Energy Inc. (URE) to prepare this Preliminary Economic Assessment (PEA) for the Lost Creek Property (the Property), which includes the Lost Creek Project (the Project) and the Adjoining Projects located in northwestern Sweetwater County in south-central Wyoming, USA. This PEA has been prepared in accordance with the guidelines set forth under NI 43-101 for the submission of technical reports on mineral properties. This PEA also presents a validation of the estimate of Measured, Indicated and Inferred Mineral Resources as defined in Section 1.2 of NI 43-101. Estimates of Mineral Reserves were not prepared.

This PEA was prepared to disclose the updated results of mineral resource estimations for the Lost Creek Property prompted by exploration and development activities through October 15, 2015. Property economics and related analyses were also updated from earlier such analyses. Company geologists have determined that the recent activities have increased the known resource within the Lost Creek Property, which is available for current and proposed production. For the Lost Creek, Property the last independent review of resources was issued June 17, 2015. Since that report, URE has recognized increased mineral resources as follows:

- Measured and Indicated resources have increased by 31% (3.146 million pounds) from 10.105 million to 13.251 million pounds eU_3O_8 (after adjustment for MU1 production through September 30, 2015); and
- Inferred resources increased by 28% (1.402 million pounds) from 5.037 million pounds to 6.439 million pounds eU_3O_8.

Completion of this PEA was under the direction of Mr. Douglass H. Graves, P.E., representing TREC, Inc. and Mr. James A. Bonner, C.P.G. (American Institute of Professional Geologists), Vice President Geology, Ur-Energy Inc. Both individuals are Qualified Persons as defined by NI 43-101. Mr. Bonner has visited the Lost Creek Property many times, most recently on January 18, 2016. Mr. Graves also has visited the Property several times; his last visit was on May 19, 2015. Additionally, Mr. Bonner has approved the technical disclosure contained in this PEA, and has verified the sampling, analytical and test data underlying the mineral resource estimate. The purpose of the site visits was to observe the geography and geology of the site, verify work done at the site by URE, observe the potential locations of Property components, current site activities, and location of exploration activities and gain knowledge on existing site infrastructure.

Preparation of this PEA by the Authors is based on information provided by URE and other professional consultants, and generally accepted uranium ISR practices. Mineral resource estimates are based on exploration, delineation and production drilling, and associated data, provided by URE and reviewed by Mr. Bonner.

URE was incorporated on March 22, 2004 and is a junior mining company engaged in the identification, acquisition, evaluation, exploration, development and operation of uranium properties in the United States. The Company's U.S. land portfolio includes properties in the Great Divide Basin, Shirley Basin, and the Gas Hills and Black Hills regions of Wyoming.

The wellfield design was provided by URE with associated numbers and locations of wells and header houses. It includes the as-built design in Mine Unit 1 as well as anticipated wellfield layout for future development. The 2016 cost estimates presented herein are based on wellfield layouts, process flow diagrams, tank and process equipment and buildings currently installed at the Property, personnel and capital equipment requirements provided by URE.

Units of measurement, unless otherwise indicated, are feet (ft.), miles, acres, pounds avoirdupois (lbs.), and short tons (2,000 lbs.). Uranium is expressed as pounds U_3O_8, the standard market unit. All references to dollars ($) are in U.S. dollars. Grades reported for historical resources and the mineral resources reported and used herein are percent eU_3O_8 (equivalent U_3O_8 by calibrated gamma geophysical logging unit). ISR refers to in situ recovery, sometimes also termed ISL or in situ leach. A complete list of abbreviations is provided on pages vi-vii.

3.0 RELIANCE ON OTHER EXPERTS

For this PEA, the Authors have relied on information from others regarding property ownership, title and mineral rights, regulatory and environmental information, capital expenditures, operating expenditures and commodity sales contracts. Additionally, this PEA was prepared by the Authors with reliance on reports and information from others as cited throughout this PEA and as referenced in Section 27.0. (References). Table 4 identifies the experts and the types of information relied on by the Authors.

Table 4: Experts

Expert	***Contribution/Reliance***
Lathrop & Gage, LLP	Relied upon for land and mineral title information (Section 4.3).
Davis Graham & Stubbs, LLP	Relied upon for land and mineral title information (Section 4.3).
Roger Smith, C.P.A., M.B.A., Chief Financial Officer and Chief Administrative Officer, Ur-Energy Inc.	Relied upon to provide summaries of capital and operating costs and income taxes. (Sections 1.0, 4.5, 21.0 and 22.0)
John Cash, M.Sc., Vice President Regulatory Affairs, Ur-Energy Inc.	Relied upon for regulatory and environmental information. (Sections 4.6, 4.7 and 20.0)
Steve Hatten, B.Sc., Vice President Operations, Ur-Energy Inc.	Relied upon to provide capital and operating expenditure information, mine planning and commodity sales contract information. (Sections 1.0, 4.5, and16.0 – 22.0)

3.1 Commodity Sales Price

To date, URE has completed eleven uranium supply arrangements at defined pricing within industry norms. The agreements relate to a portion of anticipated production during the defined term and the agreements, together with their defined pricing, are considered within the sensitivities in this report (Section 19.0 (Market Studies and Contracts)). The income from the contracted portion of production, along with the other estimated production at anticipated sales prices, is included in the cash flow estimate presented in Section 22.0, Economic Analysis.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location and Size

The Property is located in the northeastern corner of Sweetwater County in south-central Wyoming. As shown on Figure 1, the Lost Creek Property is in an unpopulated area located approximately 15 miles southwest of Bairoil, Wyoming, about 38 miles northwest of Rawlins, Wyoming and about 90 miles southwest of Casper, Wyoming. It is centered at approximately 42 degrees, 8.06 minutes North latitude and 107 degrees, 51.7 minutes West longitude. All references herein to Township and Range occur within the 6th Prime Meridian.

The Lost Creek plant has been constructed and is operating. Production well installation for the originally-designed 13 HHs in MU1 is completed and, as of October 15, 2015, HHs 1-1 through 1-11 are operational. Additional header houses will be developed as production requirements warrant. Three deep disposal wells have been drilled and are operating at Lost Creek. The plant and associated access roads have been constructed. URE has also installed numerous monitoring and other wells in support of its permit and license applications and to further its mine planning. Various other infrastructure, including wells, water tanks, ponds, a meteorological station, and other equipment, has been placed on the Property by URE in support of its mining, development, exploration, and permit/license activities.

The Property currently comprises six individual Projects named the Lost Creek, LC East, LC North, LC South, LC West, and EN Projects (Figure 2) with a total of 42,372 acres. The Lost Creek Project is considered the core project, with current production occurring in MU1. The other five Projects, collectively referred to as the Adjoining Projects, are extension and exploration properties targeted as possible sources of additional feed to the Lost Creek Project production facilities. All Projects within the Property consist mostly or entirely of federal unpatented lode mining claims. Three of the Projects also have state mineral leases. URE does not hold any private (fee) mineral leases within the Lost Creek Property. Land holdings within the six Projects of the Property are summarized below. It should be noted that the project boundary of the LC East Project has been changed to reflect the revised boundary contained in the LC East Amendment to the Lost Creek Permit. As a result of this change, a re-allocation of claims between the LC East, LC North, and LC South Projects was completed; the LC East and LC North Projects experienced a net gain, and the LC South Project experienced a net loss, in claims and acreage. Resources have been estimated on the basis of the newly-assigned project designations.

Lost Creek Project: is located in Sections 13, 24 and 25 of T25N, R93W, and Sections 16 through 20 and portions of 29 through 31 of T25N, R92W (Figure 3a). It is approximately 4,194 acres in size, including 3,554 acres in federal unpatented lode mining claims and 640 acres in one state of Wyoming mineral lease.

Adjoining Company Projects:

LC East Project: is a block of federal mineral claims (Figure 3b) which are adjoining to the east and northeast of the Lost Creek Project, within Sections 1 through 3, 10 through 15, 20 through 23, 27 through 29 of T25N, R92W. The LC East Project encompasses approximately 5,713 acres, a net increase of 453 acres.

Figure 2: Site Access, Lost Creek Property

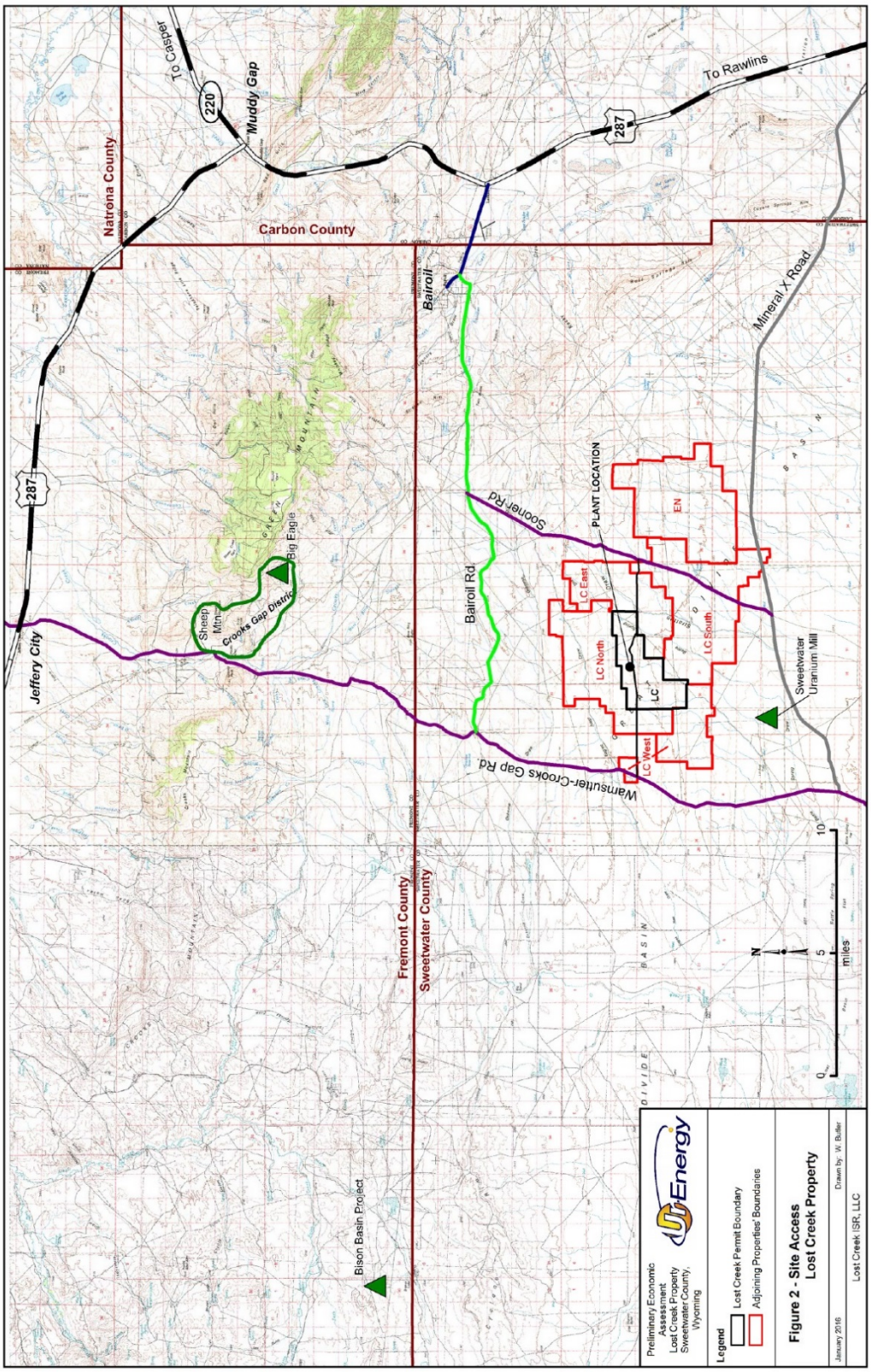


Figure 3a: Lost Creek Project

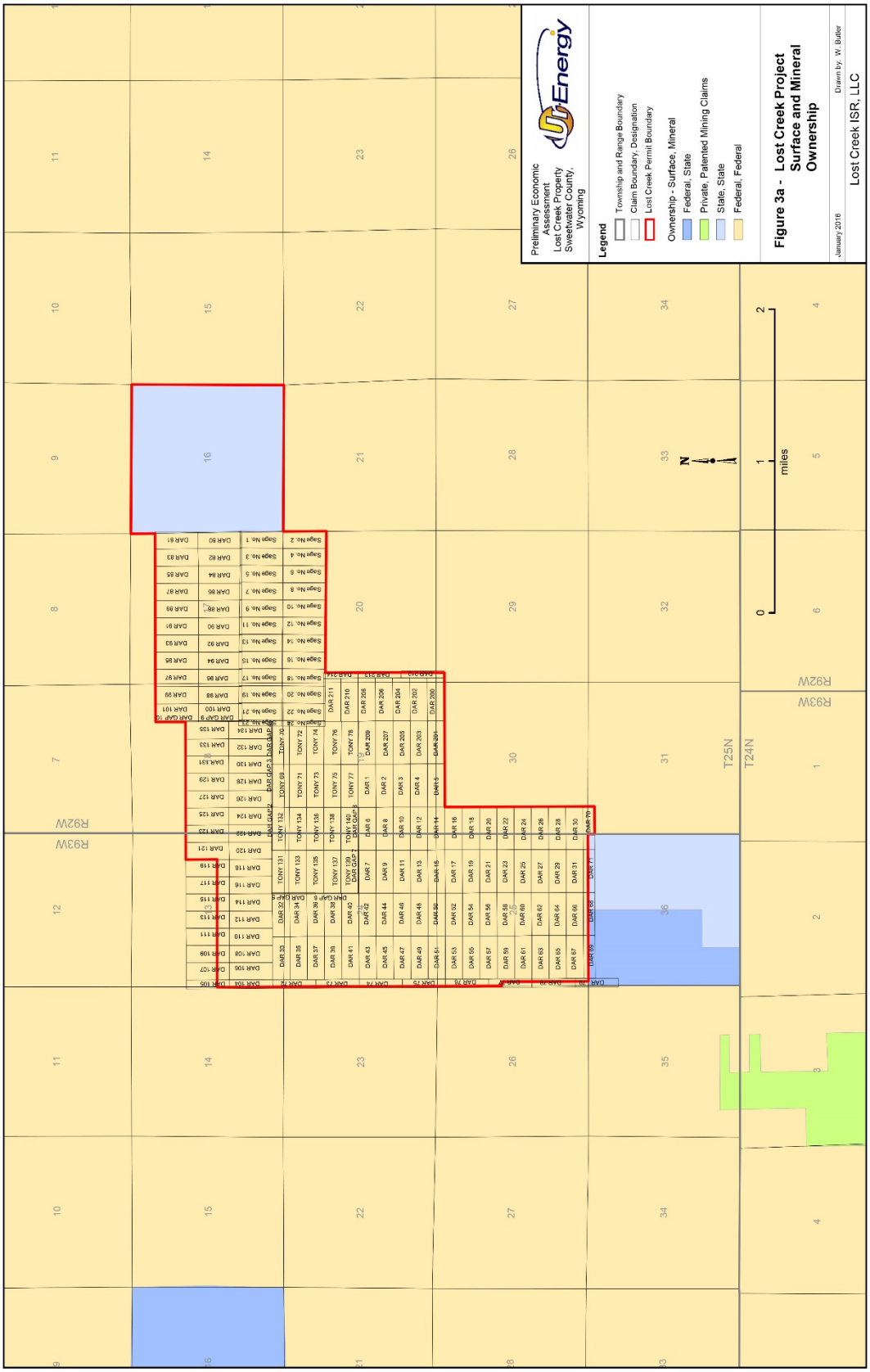
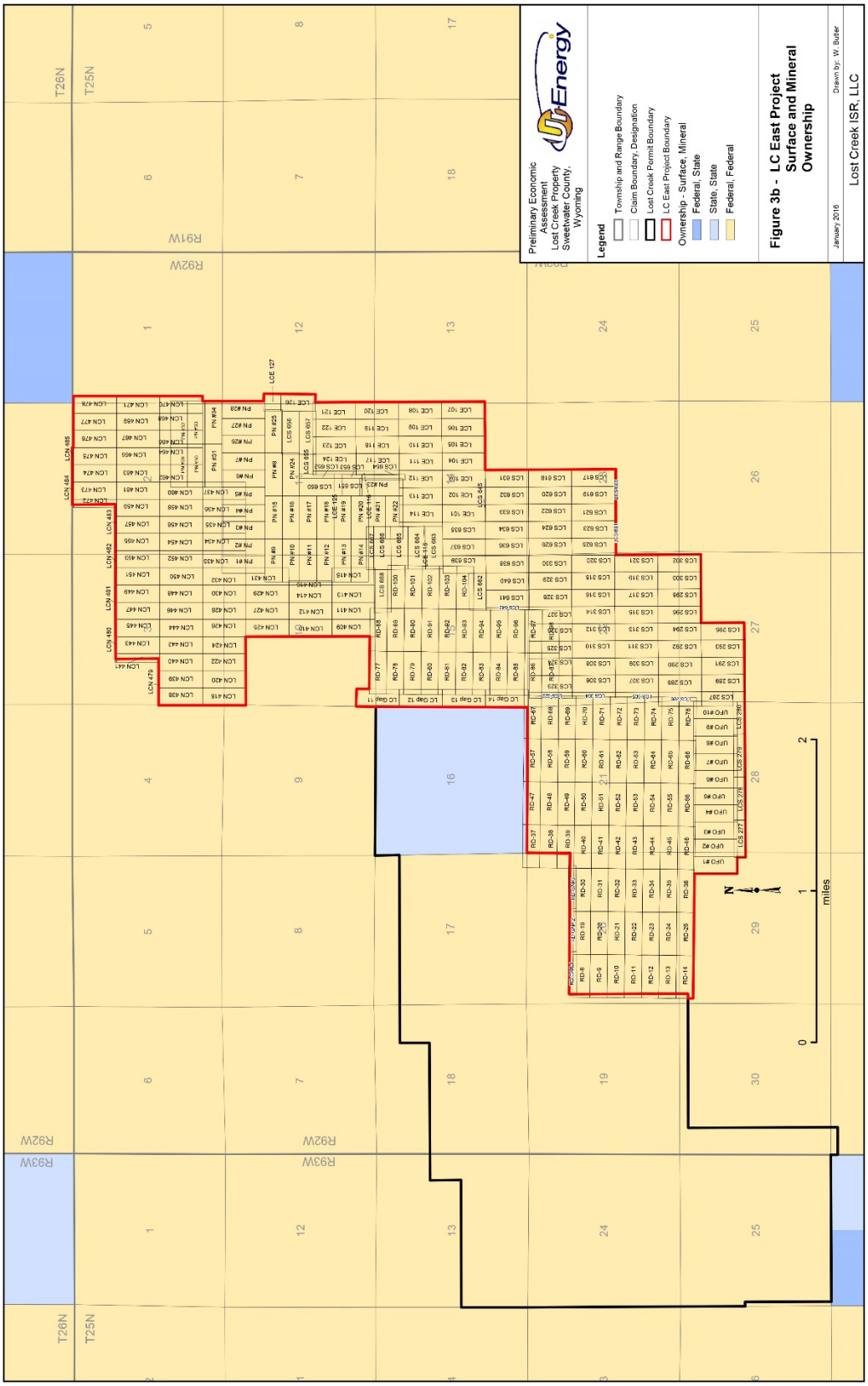


Figure 3b: LC East Project



LC North Project: is adjoining to the north and west of the Lost Creek Project in Sections 4 through 10, 17, and 18 of T25N, R92W, Sections 1, 11 through 15, 22, 23, 26, and 27 of T25N, R93W and Sections 32 through 34 of T26N, R92W (Figure 3c). The LC North Project currently encompasses approximately 7,728 acres, a net increase of 239 acres.

LC South Project: is adjoining project to the south and east of the Lost Creek Project in Sections 13, 14 and 22 through 35 of T25N, R92W, Sections 3 through 6, and 8 through 11, 14, and 15 of T24N, R92W, and Section 1 of T24N, R93W (Figure 3d). The LC South Project encompasses approximately 10,775 acres, a net decrease of 692 acres.

LC West Project: consists of a block of mining claims plus one state lease in two parcels (Figure 3e). Most of LC West adjoins the Lost Creek, LC North and LC South Projects within Sections 16, 21, 22, 25 through 28, 33 through 36 of T25N, R93W, and Sections 2 through 5 of T24N, R93W. One of the state mineral lease parcels lies as a disconnected outlier from the main body of the LC West Project. The LC West Project encompasses a total of approximately 3,840 acres, including 2,800 acres in federal unpatented lode mining claims and 1,040 acres in one state of Wyoming mineral lease. This is unchanged.

EN Project: is adjoining project to the east of the LC South Project in Sections 16 through 22 and Sections 27 through 34 of T25N, R91W, Sections 5 through 7 of T24N, R91W, Sections 25, 35 and 36 of T25N, R92W, and Sections 1 through 3 and 10 through 12 of T24N, R92W (Figure 3f). Included in this are two state mineral leases in Section 16, T25N, R91W and Sect. 36, T25N, R92W. The current EN Project encompasses approximately 10,122 acres, including 8,842 acres in federal unpatented lode mining claims and 1,280 acres in two state of Wyoming mineral leases. This is unchanged.

4.2 Mining Claims, Mineral Leases and Surface Use Agreements

The Lost Creek Property currently consists of a total of 2,133 federal unpatented lode mining claims and four state of Wyoming leases for uranium and associated minerals. As described in the preceding section (4.1), there was a net increase in the number of claims within the LC East and LC North Projects and a net decrease in the number of claims in the LC South Project following the reallocation of projects. All the claims involved in the project reorganization are located in Township 25 North, Range 92 West of the 6th Principal Meridian. The land status of each project is illustrated in Figures 3a-f and described below:

Lost Creek Project: 201 federal unpatented lode mining claims and one state of Wyoming mineral lease (Figure 3a).

LC East Project: Twelve claims in the E½ of Section 10, and 14 claims in the SE¼ Section 14 and NE¼ Section 23 were moved to the LC North and LC South Projects, respectively. Forty-five claims were moved from the LC South Project in Sections 22, 27, 28 and 29, to the LC East Project. As a result of this reorganization, there was a net increase of 29 claims to the LC East Project for a total of 324 federal unpatented lode mining claims (Figure 3b).

LC North Project: 415 federal unpatented lode mining claims (Figure 3c). Twelve claims were moved into the LC North Project from the LC East Project, as described above, resulting in a net increase of 12 claims.

LC South Project: 584 federal unpatented lode mining claims (Figure 3d), a net loss of 41 claims as a result of moving 55 claims into, and acquiring 14 claims from, the LC East Project.

Figure 3c: LC North Project

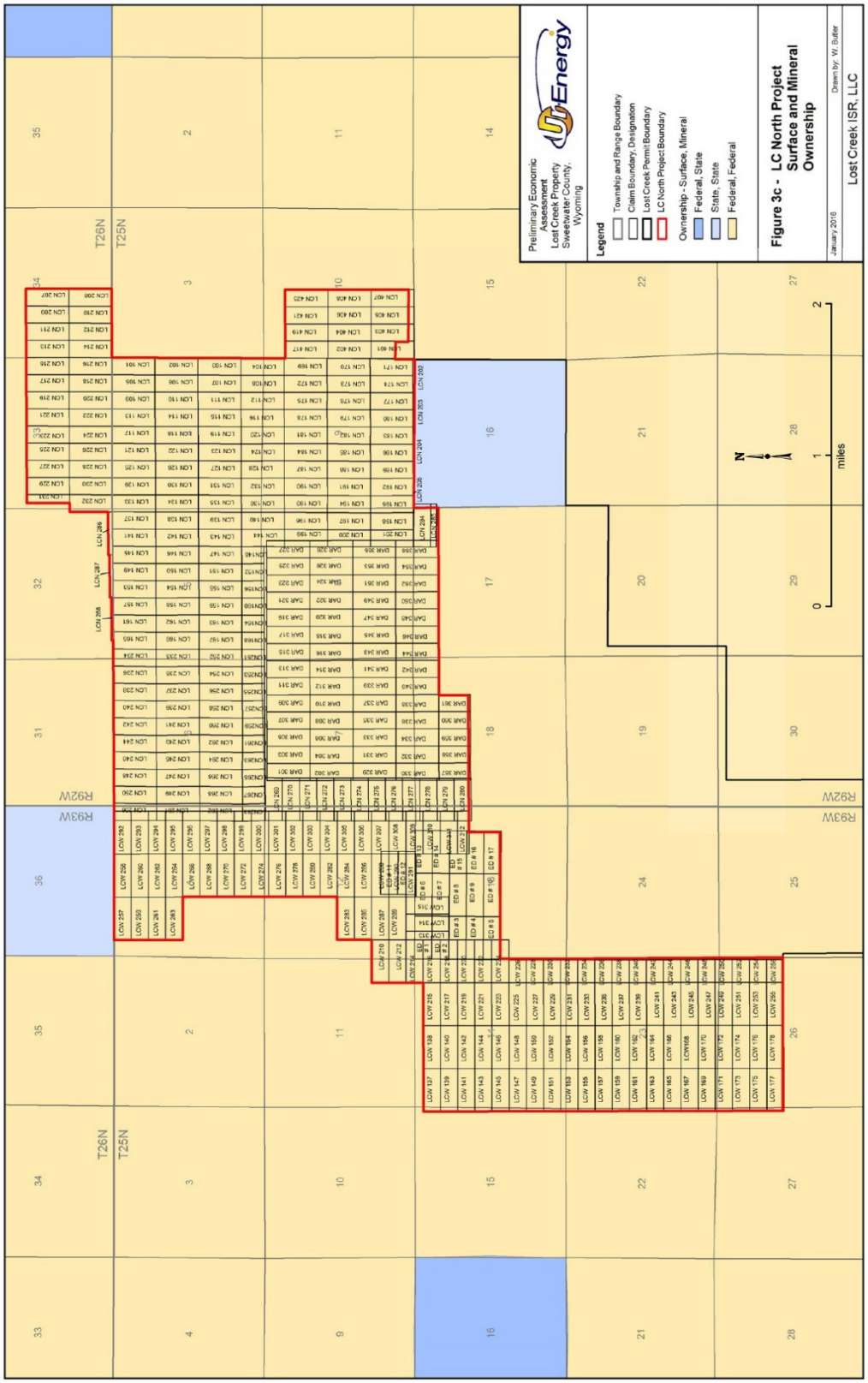


Figure 3d: LC South Project

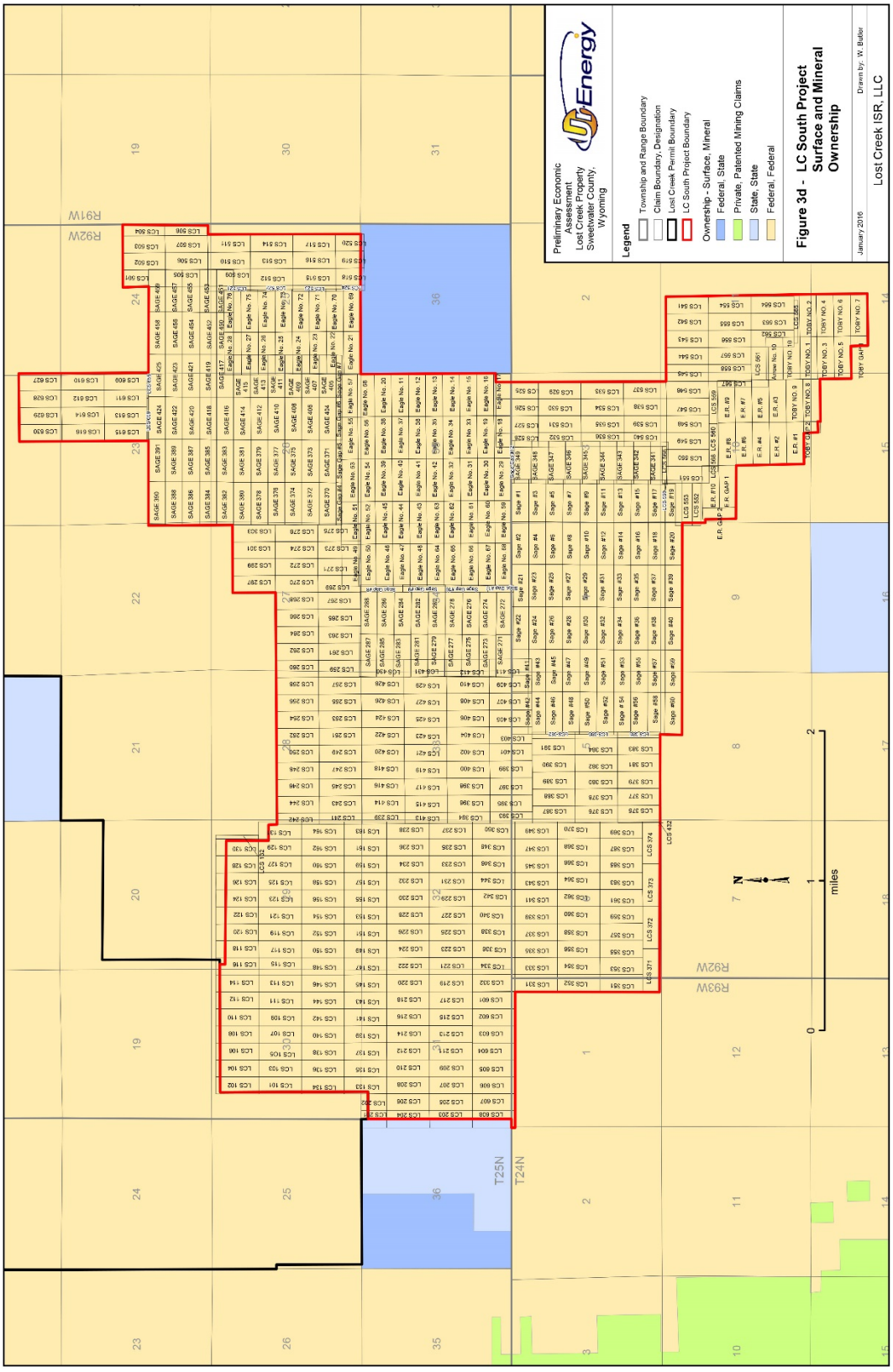


Figure 3e: LC West Project

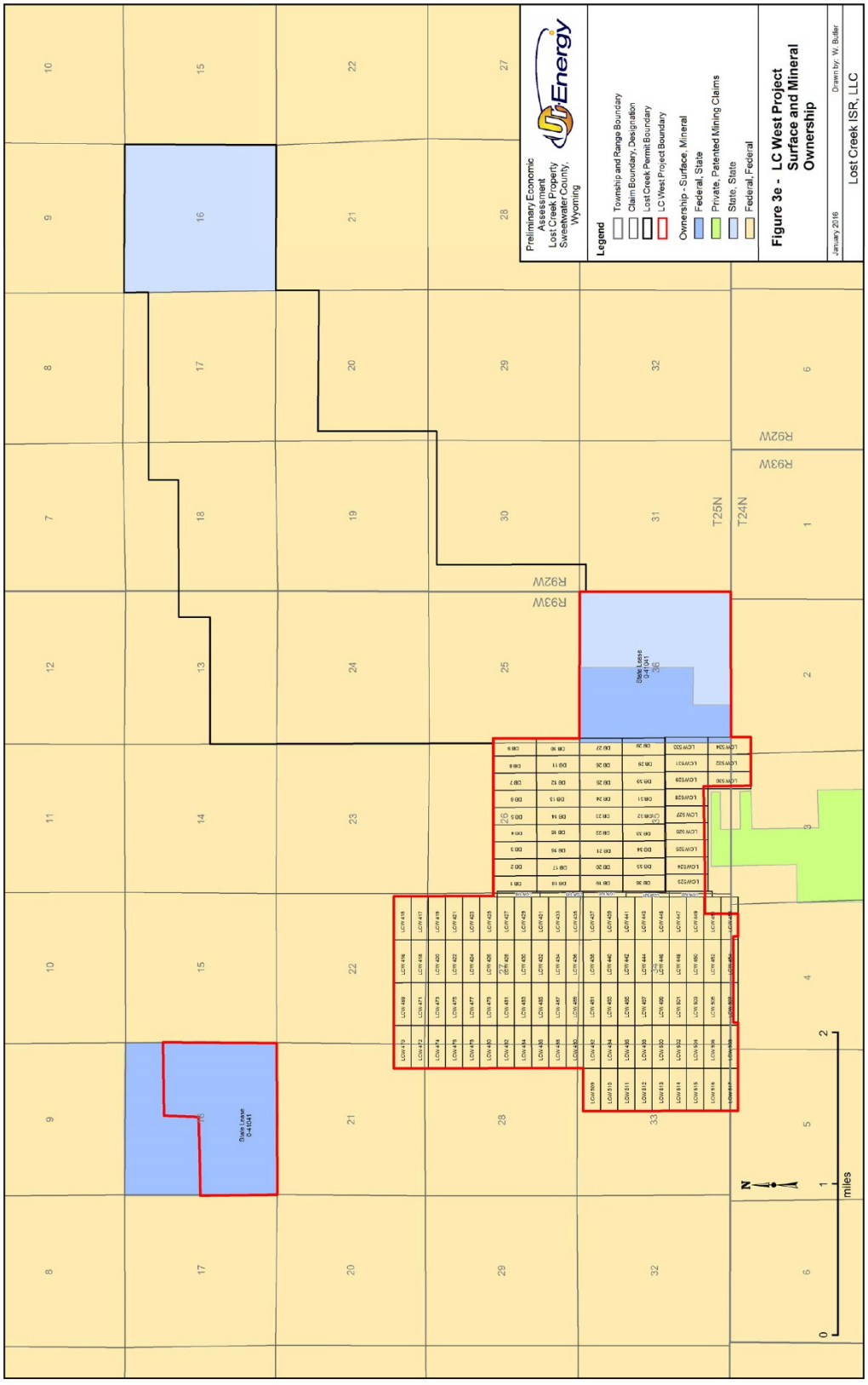
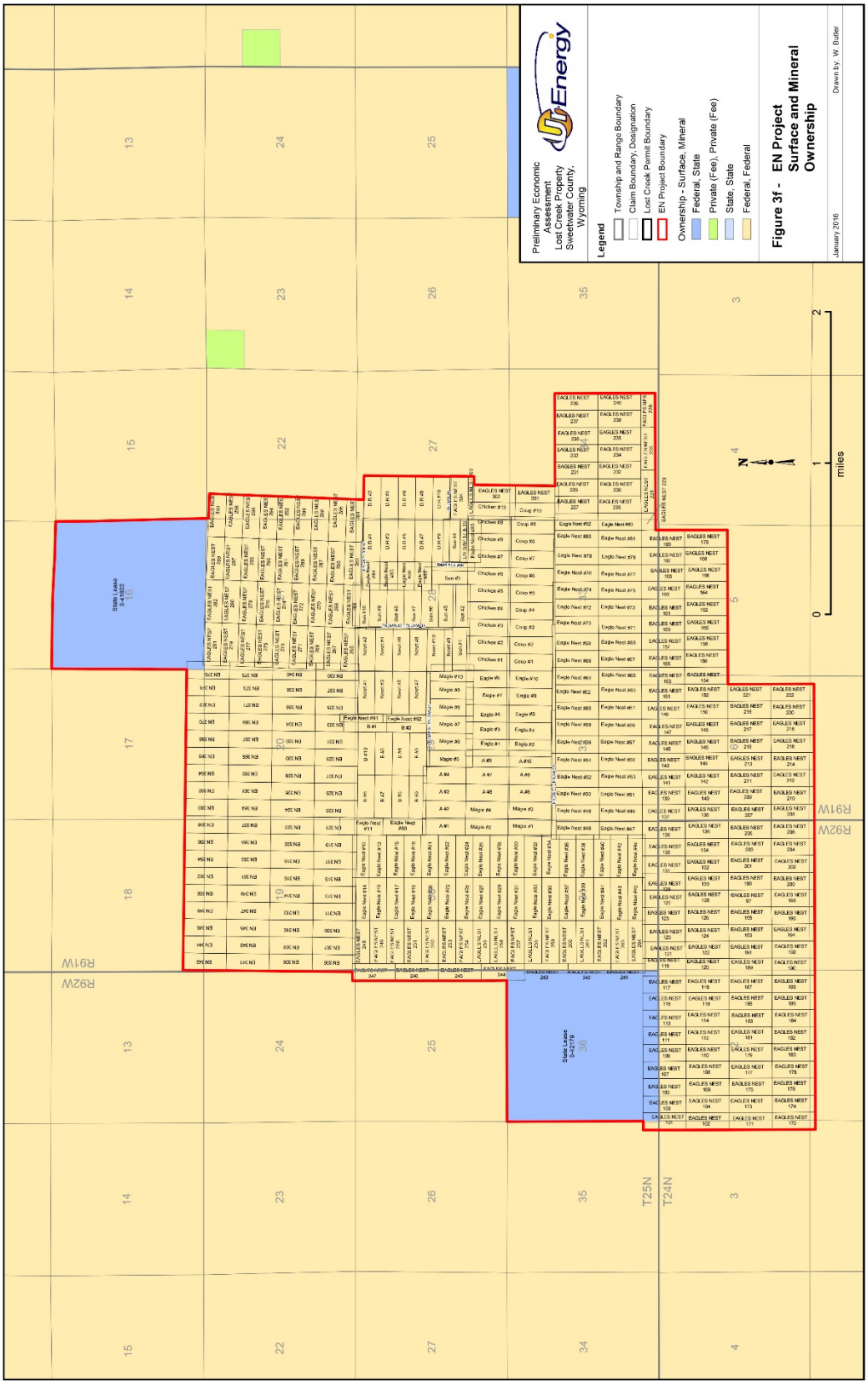


Figure 3f: EN Project



LC West Project: 142 federal unpatented lode mining claims and one state of Wyoming mineral lease (in two parcels, (Figure 3e).

EN Project: 467 federal unpatented lode mining claims and two state of Wyoming mineral leases. (Figure 3f).

The surface of all the mining claims is controlled by the BLM, with URE possessing the right to use as much of the surface as is necessary for exploration and mining of the claims, subject to compliance with all federal, state and local laws and regulations. Surface use on BLM lands is administered under federal regulations.

The Lost Creek and other projects currently held by LC are subject to a mortgage securing a bond loan with Sweetwater County, Wyoming, through the State of Wyoming Taxable Industrial Development Revenue Bond program, and the related State bond which was issued for this loan in October 2013. The mortgage, as amended, is recorded in Sweetwater County, Wyoming (ref., October 23, 2013; Rec. Bk. 1202, pg. 5867; December 28, 2015; Rec. Bk. 1212, pg. 4611).

Likewise, access to state-controlled land is largely inherent within the state of Wyoming mineral leases. The state lease within the Lost Creek Project requires a nominal surface impact fee to be paid. The other state mineral leases currently do not have surface impact payment obligations. Various Temporary Use Permits are in place at the Property, including one which allows for the use and maintenance of an improved road on the leased state section within the Lost Creek Project.

4.3 Title to Property

URE, through its wholly-owned subsidiaries Lost Creek ISR, LLC and NFU Wyoming, LLC controls the federal unpatented lode mining claims and state of Wyoming mineral leases which comprise the Property. Currently, NFU Wyoming, LLC controls the mining claims and state leases at the EN Project. Lost Creek ISR, LLC controls the lands at the other five projects within the Property. Title to the mining claims is subject to rights of *pedis possessio* against all third-party claimants as long as the claims are maintained. The mining claims do not have an expiration date. Affidavits have been timely filed with the BLM and recorded with the Sweetwater County Recorder attesting to the payment of annual maintenance fees to the BLM as established by law from time to time. The state leases have a ten-year term, subject to renewal for successive ten-year terms. From time to time, formal mineral title reports are prepared for URE by mineral title attorneys (Section 3.0).

4.4 Property Boundaries

A professional legal survey of the permit area boundary of the Lost Creek Project was completed in advance of the submission of applications for permits and licenses on the Project. Similarly, a professional legal survey was conducted for the anticipated permit area for the LC East permit amendments. Legal surveys of individual mining claims are not required, and otherwise have not been completed. The area covered by the state leases is based on the legal subdivision descriptions as set forth by the U.S. Cadastral Survey and have not been verified by legal surveys.

4.5 Royalties, Taxes and Fees

URE is required to pay various state and local taxes related to production and the ownership of property. These taxes are in the form of severance, ad valorem, gross products, personal, and real property taxes. There is no state income tax in Wyoming. Royalties based on sales of uranium will be paid to the state under the state mineral lease at the Project. The state mineral leases carry the standard five percent royalty required by law. In 2013 URE removed the only privately-held royalty interest which had pertained to the Lost Creek Project by an agreement for the purchase of that royalty interest. Various royalties exist on portions of the Adjoining Projects, including on a portion of LC East Project. Those royalties, as they pertain to anticipated production, have been included in the analysis but are relatively insignificant affecting only three future header houses at a rate of one percent of production sales. Additionally, maintenance fees will be paid to the BLM, and payments made to the state for the state mineral leases.

The Lost Creek Property economic analysis includes tax estimates for state severance taxes, county ad valorem taxes and property taxes, all of which are directly attributable to the Property. The economic analyses presented herein also provide the results of the analyses for pre- income tax and post-income tax, which includes U.S. federal and Illinois state income taxes. There is no State of Wyoming income tax and all sales are assumed to take place in Illinois where the conversion facility is located. The only difference between the two scenarios is the value of the estimated income taxes. All other sales, property, use, severance and conservations taxes as well as royalties are included in both scenarios. Both economic analyses presented herein assume no escalation and no debt, interest or capital repayments. Ur-Energy USA Inc. files consolidated federal tax returns in the United States and had approximately $94.5 million in tax loss carry forwards as of December 31, 2014. The Company does not anticipate paying any significant federal income taxes until the existing, and any future, tax loss carry forwards are utilized. In addition, reclamation costs can be deducted in the early years of the project, thus also pushing out the tax liability.

4.6 Environmental Liabilities

There were no pre-existing mineral processing facilities or related tailings ponds or waste deposits within the Property prior to the initiation of the construction of Lost Creek's ISR facilities and wellfields. Surface disturbance included in the economic analysis is associated with drilling, well installation, wellfield construction, plant construction and installation of the three deep waste disposal wells. Likewise, subsurface disturbance is associated with the injection and production operations in MU1. Other than the above mentioned, there are no known environmental liabilities on the Property. The total bond held by the WDEQ to reclaim property disturbances for which LC is liable is $16.4 million as of October 2015, of which $14.997 million is for the Lost Creek Permit under the existing Permit to Mine. Currently, the maximum anticipated bond for the life of Property is $32.3 million which is expected will be in place by approximately October 2019. This is equivalent to the anticipated costs for complete restoration and reclamation of the site over the life of mine.

4.7 Permitting

The NRC granted a Source and Byproduct Materials License to recover uranium from the HJ Horizon at the Lost Creek Project. Likewise, the WDEQ issued a Permit to Mine to recover uranium from the HJ Horizon; including approval of the Mine Unit 1 Data Package. The BLM issued a Record of Decision regarding its Environmental Impact Statement and approval of the Plan of Operations for the Project. Accordingly, all permits and authorizations required to operate the Lost Creek Mine, as currently operating, are in place and include the following:

- The BLM issued a Record of Decision on October 5, 2012.
- The NRC issued a Source and Byproduct Material License SUA-1598 on August 17, 2011. The NRC subsequently performed pre-operational inspections and granted permission to begin mining on August 2, 2013 and permission to utilize the yellowcake dryer on October 3, 2013.
- The WDEQ has issued several permits including:
    - Permit 788, which includes an aquifer exemption for the three Lost Creek HJ mine units and approval to begin injection in Mine Unit 1, was granted on October 21, 2011. A hydrologic package must be submitted for review and approval for each subsequent Mine Unit. Permit 788 was granted after consultation with the Wyoming Department of Game and Fish and the U.S. Fish and Wildlife Service. Special consideration was given to sage grouse protection.
    - Air Quality Permit CGT-13201 was issued on May 18, 2012.
    - Storm Water Discharge Permit WYR103695 was approved on June 17, 2011 and includes the LC East and Lost Creek Projects.
    - Class I UIC Permit 09-586, granting permission to install up to five deep disposal wells, was granted on May 28, 2010. An aquifer exemption for LC DW #4 was subsequently granted on December 13, 2013. The U.S. Environmental Protection Agency (EPA) granted an aquifer exemption for LC DW#3 on October 22, 2014. Additional aquifer exemptions may be required if other deep wells are drilled and encounter water quality less than 10,000 mg/l total dissolved solids. An aquifer exemption was not required for LC DW #1 since the water contains greater than 10,000 mg/l total dissolved solids.
- The two facility holding ponds were approved by EPA Permit 8P-AR on December 20, 2011 and by State Engineer Permit 13595R on May 28, 2010.
- Sweetwater County rezoned the land per Resolution 08-03-ZO-07 on March 4, 2008. The county later approved the Development Plan on December 1, 2009. Septic Permit 11-082 was issued on April 14, 2011. The county has also signed a Road Maintenance Agreement allowing the company to remove snow from local county roads as needed.
- Numerous well installation permits have been applied for and received through the State Engineer's Office. Additional permits will be sought as needed.

The following permits will be required before beginning mining at LC East and within the KM Horizon at Lost Creek. These applications were submitted in September 2014:

- The BLM must review and approve an application for mining at the LC East Project and within the KM Horizon at the Lost Creek Project after a National Environmental Policy Act (NEPA) review. The NRC will participate in this review as a cooperating agency. The BLM has determined to perform an Environmental Impact Statement for the project amendments.

- A Permit amendment requesting approval to mine at the LC East Project and within the KM Horizon at the Lost Creek Project was submitted to the WDEQ for review and approval. Approval will include an aquifer exemption.
- The air quality permit will be revised to account for additional surface disturbance.
- An application will be submitted to Sweetwater County to re-zone the land at LC East. A subsequent Development Plan will also have to be submitted for review and approval.
- Numerous well permits from the State Engineer's Office will be required.

Exploration activities on the Adjoining Projects are carried out under Drill Notices issued by the WDEQ and Notices of Operations issued by the BLM. These permits are obtained and managed as necessary to continue exploration work.

4.8 Other Relevant Factors

The Lost Creek plant has been constructed and is operational. Production well installation in MU1 is completed for all originally-designed header houses and HHs 1-1 through 1-11 were operational as of October 15, 2015. Three deep disposal wells have been drilled at the LC Project. The plant and associated access roads have been constructed. URE has also installed numerous monitoring and other wells in support of its permit and license applications and to further its mine planning. Various other infrastructure, including wells, water tanks, a meteorological station, and other equipment, has been placed on the Property by URE in support of its mining, development, exploration, and permit/license activities.

The authors are aware of no significant factors that contribute to operational risks for the Property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Topography, Elevation and Vegetation

The Property is located near the northeastern part of the Great Divide Basin (GDB) and occurs at an elevation of approximately 7,000 ft. above mean sea level. The GDB is an oval-shaped structural depression encompassing some 3,500 square miles in south-central Wyoming. The basin is bounded on the north by the Wind River Range and Granite Mountains, on the east by the Rawlins Uplift, on the south by the Wamsutter Arch, and on the west by the Rock Springs Uplift.

Most of the Property consists of flat upland areas and gentle south facing slopes that are dissected by southerly-flowing ephemeral washes. There are no perennial streams on the Property. The vegetation on the Property is dominated by sagebrush (*Artemisia tridentata*) which occurs throughout both upland and lowland environmental settings. Sagebrush is well adapted to the cold winter temperatures and limited precipitation that characterize the Property. Other vegetation identified at the Property includes native cool season perennial grasses, perennial forbs, cushion plants, semi-shrubs, cacti, shrubs and lichens.

5.2 Access

Regional access to the Property relies almost exclusively on existing public roads and highways. The local and regional transportation network relevant to the Property consists of primary, secondary, local and unimproved roads (Figures 1 and 2). Direct access to the Property relies mainly on two crown-and-ditched gravel paved access roads to the processing plant. One enters from the west off of Sweetwater County Road 23N (Wamsutter-Crooks Gap Road). The other enters from the east off of BLM Sooner Road. In addition to the designated routes, there are a number of four-wheel-drive “two-track” roads that traverse the area for recreation and grazing access, as well as various other uses, including uranium exploration. On a wider basis, from population centers, the Property area is served by an Interstate Highway (Interstate 80), a U.S. Highway (US 287), Wyoming state routes (SR 220 and 73 to Bairoil), local county roads, and BLM roads.

5.3 Proximity to Population Centers

The Property is located in a remote area. The nearest town, Bairoil, with a population of less than 100, is about 17 miles northeast of the Lost Creek plant. The Wyoming towns of Rawlins, Rock Springs and Casper are approximately 36, 82 and 90 miles from the Property, respectively. Figures 1 and 2 show the locations of population centers with respect to the Property.

Sweetwater County, in which the Property is located, had a population of 45,010 in 2014. This represents a 16.5% increase in Sweetwater County’s population since the 2000 census (ref., U.S. Census Bureau 2010 Report on Sweetwater County, WY). Sweetwater County has a population density of 4.2 people per square mile. Carbon County, which is south of the Property, had a population of 15,885 in 2010 which was primarily located in the town of Rawlins. This represents a 1.6% increase in Carbon County’s population since the 2000 census (ref., U.S. Census Bureau 2010 Report on Carbon County, WY).

Personnel required for management, construction and operation of Lost Creek are drawn from Rawlins, Bairoil, Jeffrey City, Lander, Riverton and Casper, Wyoming.

5.4 Climate and Operating Season

The Property is located in the intermountain semi-desert eco-region (ref., Curtis and Grimes, 2004), which has cold winters and short, hot summers (ref., Bailey, 1995). The average annual temperatures range from 40 to 52 degrees Fahrenheit. The average annual precipitation ranges from five to 14 inches (ref., Bailey, 1995). The nearest relatively large bodies of water are the Pathfinder and Seminoe Reservoirs, which are unlikely to affect local climatic conditions because they are approximately 50 miles downwind of the Property. Winter weather may limit the time periods for certain portions of wellfield drilling and construction at the Lost Creek Project, but should not significantly affect the operation of an ISR facility. ISR operations at the Lost Creek Project will be conducted year-round. Winter conditions will continue to affect exploration and drilling on the Property.

The state of Wyoming has developed a Core Area Strategy to help protect the Greater Sage Grouse species within certain core areas of Wyoming. Exploration areas of the Property are all within the Greater South Pass core area and are thus subject to work activity restrictions from March 1 to July 15 of each year. The timing restriction precludes exploration drilling and other non-operational based activities that may disturb the sage grouse. Drilling activity is not restricted outside this period.

The sage grouse timing restrictions relevant to ISR production activities at the Lost Creek Project are somewhat different because the state of Wyoming has recognized that mines within core areas must be allowed to operate year-round. Therefore, since construction at the Lost Creek Project began, there have been no timing restrictions on drilling, construction, or operational activities within pre-approved disturbed areas as shown in the Permit to Mine. These disturbed areas include the processing plant, holding ponds, roads, power lines, wellfields, and deep disposal wells. Any exploration drilling within the Property but outside the pre-defined disturbed area of the Permit to Mine will continue to be subject to sage grouse timing restrictions.

The Core Area Strategy also places limitations on the amount of disturbance within an area. These restrictions are sufficiently flexible that it is very unlikely they will ever limit exploration drilling. For the Property, there is a five percent cap on anthropogenic disturbance in the area. Analyses of the planned disturbance on the Property, including those areas which are permitted or for which permits will be sought, will be conducted so as to be consistent with the Wyoming regulatory scheme, and also will be reviewed on a time-to-time basis by the Wyoming Game and Fish Department. The Wyoming Game and Fish Department has also approved the Lost Creek Sage Grouse Protection Plan for the Lost Creek Project.

5.5 Property Infrastructure

The basic infrastructure (power, water, and transportation) necessary to support an ISR mining operation is located within reasonable proximity of the Property. Generally, the proximity of the Property to paved roads is beneficial with respect to transportation of equipment, supplies, personnel and product to and from the Property. Existing regional overhead electrical service is aligned in a north-to-south direction along the western boundary of the Lost Creek Project. An overhead raptor resistant power line, approximately two miles in length, was constructed in 2012 to bring power from the existing Pacific Power line to the Lost Creek plant. Power drops have been made to the Project and distributed to the plant, offices, wellfields, and other facilities.

Previous infrastructure near the Property is predominantly related to oil and gas development, past and present uranium exploration and beneficiation, and recreation. There have been several

historical conventional uranium mills and mines and one historical ISR project (Bison Basin Project) in the vicinity of the Property (Figure 2). The closest mining facility to the Property is the Sweetwater Mill, a conventional uranium mine and mill that is not currently operational. The facility lies about three and one-half miles south of the southwestern-most boundary of URE's Lost Creek Project, with less than one mile separating the respective permit boundaries.

Mine operations require disposal into deep disposal wells (DDWs) of limited quantities of fluids that cannot be returned to the production aquifers. A total of five DDWs have been permitted for the Project. Three have been drilled to date. Two storage ponds, permitted by state and federal regulators, are located adjacent to the plant and are used to temporarily store the water that will ultimately be disposed of in the DDWs. The first DDW (LC DW #1) is located in the extreme southwest corner of the Lost Creek Project. It was installed and tested in 2008, and was used as the basis for permitting the other four wells. The second DDW (LC DW #4) was drilled in late 2012 immediately south of the plant building. A third deep disposal well (LC DW #3) was drilled and installed in the SW quarter of Section 13, T25N, R92W in July 2014. The location of the other two planned DDWs are (1) SE quarter of Section 19 of T25N R92W, and (2) the SE quarter of Section 17 of T25N R92W. For a further discussion of the waste water disposal and related infrastructure, see Section 17.3 (Liquid Disposal). Ponds, outdoor tank storage, and the Class V disposal wells are located proximate to the plant and office building location. Figures 2 and 12.

Tailings storage areas, solid waste disposal areas, and heap leach pad(s) will not be a part of the infrastructure for the Property as ISR operations do not require these types of facilities.

5.6 Water Supply

Most of the non-potable water for ISR operations is obtained from the mining operation itself; *i.e.,* from extracted groundwater. With the exception of a 0.5 % to 1.5 % bleed, the groundwater extracted by the production wells will continue to be recycled through the system.

Water for activities within the Property is currently supplied by eleven water wells drilled by URE. Eight of these are located within the Lost Creek Project, one is in the LC North Project, one is in the LC South Project, and one is in the EN Project. All but one of the active wells produces water in excess of 25 gallons per minute. Water usage in the past has been mostly for drilling, casing wells, and abandonment of exploration and delineation holes. Two of the eight wells in the Lost Creek Project are adjacent to the plant site. One of those is being used as a source of fire suppression water and the other as a source of fresh water for that facility. Additional wells may be necessary as exploration and production activities extend further from the plant.

6.0 HISTORY

6.1 Ownership History of the Lost Creek Property

Uranium was discovered in the GDB in 1936. Exploration activity increased in the early 1950s after the Gas Hills District discoveries, and continued to increase in the 1960s, with the discovery of numerous additional occurrences of uranium. Wolf Land and Exploration (a private corporation which later became publicly traded as Inexco), Climax (Amax) and Conoco Minerals were the earliest operators in the area of what is now Lost Creek Property and made the initial discoveries of low-grade uranium mineralization in the Battle Spring Formation in 1968.

Conoco entered into a joint venture with Inexco in 1969. Conoco gained sole control of the properties in 1970 and continued to explore their large land position in the region as what they called “Project A”. In doing so, they identified the eastern half of what is now referred to as the Main Mineral Trend (MMT) in the Lost Creek Project and also what is known as the East Mineral Trend (EMT) in the LC East Project. Conoco’s "Project A" also included large portions of what are now the LC North, LC South and EN Projects.

Kerr-McGee, Humble Oil, and Valley Development, Inc. were also active early in the region.

Lost Creek Project – Ownership History

Inexco, Conoco, Climax (Amax) and Valley Development, Inc. obtained the initial land positions in the Lost Creek Project area in the late 1960s. Conoco took over Inexco’s land position in 1970.

Texasgulf entered the area in 1976 by acquiring the western half of what is now the Lost Creek Project through a joint venture with Climax. Also in 1976, Texasgulf entered into a joint venture with Valley Development, Inc. and initiated a major exploration program that resulted in the identification of the western half of the MMT. In 1978, Texasgulf joined with Conoco as operator in a joint venture to continue exploring the MMT. Texasgulf acquired a 100% interest in Valley Development, Inc. property in 1979 and continued with extensive exploration efforts and, by the early 1980s, had fully identified the MMT. They subsequently dropped the property in 1983 due to the declining uranium market.

The property was subsequently acquired by Cherokee Exploration, Inc., which conducted no field activities. In 1987, Power Nuclear Corporation (also known as PNC Exploration) acquired 100% interest in the project from Cherokee Exploration, Inc. PNC Exploration carried out a limited exploration program as well as geologic investigations and an evaluation of previous in situ leach testing by Texasgulf.

In 2000, New Frontiers Uranium, LLC acquired the property and related database from PNC Exploration, but conducted no drilling or geologic studies. New Frontiers Uranium, LLC later transferred the Lost Creek Project-area property, along with its other Wyoming properties, to NFU Wyoming, LLC.

In June 2005, Ur-Energy USA Inc., a wholly-owned subsidiary of URE, purchased 100% ownership of NFU Wyoming, LLC. Within the first year of ownership, the Company initiated drilling, and preparations for mining permit applications. Toward that goal, it conducted engineering studies, core drilling for metallurgical studies, and delineation drilling to outline and define the uranium resources. In addition, comprehensive baseline studies were initiated, including installation of additional monitor wells for hydrological testing and water-quality sampling

and a meteorological station within the Project area. The current land position consists of a total of 201 unpatented mining claims covering approximately 3,554 acres plus one state lease, covering 640 acres. Total acreage is 4,194 (Figure 3a).

In July 2007, NFU Wyoming, LLC transferred the Lost Creek Project to Lost Creek ISR, LLC, a wholly-owned subsidiary of Ur-Energy USA Inc. formed for the purpose of owning and developing the Project through the permitting process and into operations as an ISR mine. In 2012 the LC East Project was transferred into Lost Creek ISR, LLC. The LC South, LC West and LC North Projects were also transferred to Lost Creek ISR, LLC in 2013. EN Project remains an asset of NFU Wyoming, LLC.

Adjoining Projects – Ownership History

The Adjoining Projects share a history of ownership similar to that of the Lost Creek Project because over the years they were operated by many of the same companies which maintained large property holdings in the vicinity. The Adjoining Projects have been acquired by URE since 2006 through the location of federal unpatented lode mining claims, through purchase agreements made with individuals and companies, and through leases with the state of Wyoming. Additions which resulted in the formation of LC East and LC West were made through an asset exchange with Uranium One Americas, Inc. (U1) in February 2012 and by staking of additional mining claims in 2011 and 2012. Most recently, 27 unpatented lode mining claims were located by URE in the LC East Project. The individual Projects originally were stand-alone exploration projects, but expanded over time such that now, along with the Lost Creek Project, they collectively represent a contiguous block of land referred to as the Lost Creek Property. The Company currently holds 38,178 acres within the Adjoining Projects in addition to the 4,194 acres of the Lost Creek Project.

LC East:
LC East is drawn in part from two large blocks of claims (RD and PN claims) obtained in 2012 from U1, and additional mining claims located in 2011 and 2012 by URE. As above, most recently 27 additional claims were located on the east side of the Project.

Similar to the other projects, the earliest historical ownership within what is now the LC East Project was by Wolf Land and Exploration starting in 1967. In 1969 Conoco entered into a joint venture with Wolf Land and Exploration, with Conoco acting as the operator. The next year Conoco took over the project and continued to explore the area as part of its "Project A".

In 1978 Texasgulf continued the activity as the operator of "Project A" in a joint venture with Conoco until 1983. PNC Exploration later acquired some of the ground in 1987 and held it until 2000.

With the resurgence of the uranium industry, High Plains Uranium, Inc. (HPU) and Energy Metals Corporation (EMC) both staked claims within the current LC East Project boundaries in 2004. The HPU controlled claims subsequently were transferred to EMC in 2007 when that company acquired HPU. Later that year EMC was in turn taken over by U1. U1 maintained the claims until they were acquired in 2012 by URE. The land obtained from U1 represents the majority of the new LC East Project.

During 2011-2012, an additional 142 claims were staked by URE and subsequently joined to the LC East Project to cover prospective areas near and adjacent to the lands acquired from U1.

In 2014, an additional 27 claims were located in the eastern portion of the Project. The LC East Project currently consists of 324 unpatented mining claims in 5,713 acres (Figure 3b).

LC North:
Early historic ownership of claims within what is now the LC North Project began in 1967 and continued into the mid-1970s. Activity was dominated by Conoco, at times in a joint venture with Inexco. Climax also held property in the late 1960s but to a much lesser extent. In the mid- to late-1970s Texasgulf continued as the primary operator until 1983 when they discontinued operations in the GDB.

Initial claim staking by URE in the LC North Project commenced in early 2007 when it was recognized that the mineralized trends in the Lost Creek Project likely continue to the north. In late 2007, additional claims were staked west and northwest of the Lost Creek Project to cover ground where it appears probable that the MMT continues beyond the Lost Creek Project boundary. In early 2012, 17 claims were added to the Project, having been obtained as part of the asset exchange with U1. Also four claims located along the western edge of Section 15, T25N, R92W were re-allocated from LC North to the newly designated LC East Project. In August 2012, 78 claims in the northwest quadrant of the Project were dropped. The LC North Project currently consists of 415 unpatented mining claims covering approximately 7,728 acres (Figure 3c).

LC South:
Wolf Land and Exploration was the earliest operator within what is now the LC South Project and was active from 1967 to 1968. Conoco then became the dominant operator through the mid-1970s, exploring the ground as part of their "Project A". They were replaced by Texasgulf in 1978 when it took over operatorship of the "Project A" joint venture until 1983.

Acquisition by URE of the LC South Project started in 2007. The Project's land position was expanded to a total of 300 claims by the end of 2008. In 2009, blocks of additional claims adjacent and to the east were acquired from private parties and added to the LC South Project. These acquisitions were followed by the staking of several claims to fill the gaps between the LC South and the EN Projects. Eight of the New Claims were added to the Project in 2012 to complete the gap-filling activities. Currently, the LC South Project consists of 584 unpatented mining claims covering approximately 10,775 acres (Figure 3d).

LC West:
This Project was created from portions of the U1 acquisition and location of additional claims. The earliest known operator on this ground was Wolf Land and Exploration who drilled only a few holes in 1967. Conoco controlled most of the ground in the early 1970s within its "Project A" and was later succeeded by Texasgulf in the mid-1970s to early 1980s when they took control of the "Project A" joint venture. Minerals Exploration Corporation also held portions of this ground in the early 1970s as part of their Sweetwater exploration activities. URE acquired 36 claims plus one state lease in two parcels from U1 in 2012. Additionally, URE located 106 mining claims during 2011-2012. Total land holdings in the LC West Project are currently 142 unpatented mining claims in 2,800 acres plus 1,040 acres in one state mineral lease for a total combined acreage of 3,840 acres. (Figure 3e).

EN:
The earliest operator in the EN area was Wolf Land and Exploration, which held portions of the current EN ground in the late 1960s. Humble (Exxon) also controlled portions of the land through 1970. Conoco entered into a joint venture with Wolf in 1969 and eventually assumed full control through 1974 as part of their "Project A". Other operators who held portions of the ground during

the 1970s include Teton Exploration, Kerr-McGee, and Climax (Amax). The last historical operator was Texasgulf who held the property in the late 1970s.

URE's original land position of the EN Project began with the acquisition of 172 claims from a private party in 2006. This was augmented in 2007 with the staking of an additional 295 claims by NFU Wyoming, LLC following an evaluation of new and historical data in the vicinity. Additionally, URE acquired one state mineral lease in 2007, and another state mineral lease from U1 in 2012. As a result, the current land position to a total of 467 unpatented mining claims covering 8,842 acres plus two state mineral leases, covering 1,280 acres. Total acreage is approximately 10,122 acres (Figure 3f).

6.2 Exploration History

This section presents a summary of the history and extent of exploration for uranium on the Lost Creek Property prior to acquisition by URE. No significant uranium development work was conducted within the Property by any operators previous to URE.

6.2.1 Exploration Summary of the Lost Creek Property

Significant uranium exploration within the area that currently comprises the Lost Creek Property began in the mid-1960s. In the late 1960s, several companies conducted early regional drilling operations, including Climax (Amax), Wolf Land and Exploration (Inexco), Humble Oil (Exxon) and Conoco Minerals. Climax (Amax) held claims west of Conoco's "Project A" but conducted only cursory exploration on them during the early 1970s. By the mid-1970s, exploration drilling was conducted primarily by Texasgulf and Conoco Minerals.

PNC Exploration carried out limited in-fill exploration drilling and geological evaluations in the area of the MMT until 1996, before selling the property in 2000. No other exploration activities were conducted until acquisition of the Lost Creek Project by URE in 2005.

URE is in possession of virtually all of the known historical drilling data, maps and reports from Conoco, Texasgulf and PNC Exploration activities. This includes:

Geophysical logs (including gamma logs),
Cutting sample and core descriptions for most holes,
Uranium intercept databases,
Location maps and drill location coordinates,
Geological interpretation maps,
Geological and resource estimation reports,
Metallurgical reports, and
Chemical analyses.

6.2.2 Lost Creek Project: Exploration Summary

The Lost Creek Project is now in production, and is in varying stages of late-stage exploration, development and operations.

- Drilling within the current Lost Creek Project area during the period from 1966 to 1976 consisted of approximately 115 wide-spaced exploration holes by several companies including Conoco, Climax (Amax) and Inexco.

- Texasgulf conducted extensive exploration operations from 1976 through 1982. 412 exploration holes and 12 monitor wells were completed during this time.

- PNC Exploration explored the Lost Creek Project area from 1987 through 1992, completing 36 drill holes.

- PNC sold the properties to New Frontiers Uranium, LLC in 2000. At the time URE acquired the Project in 2005, a total of 569 exploration holes and 12 pump-test wells had been drilled. The pump-test wells were subsequently plugged and abandoned prior to acquisition by URE. The MMT was well identified and drilled-out to varying degrees of confidence.

6.2.3 LC East Project: Exploration Summary

The ground currently designated as the LC East Project has been extensively drilled in the past and can be considered to be in the mid to late stage of exploration in the northern portions to pre-development in the southern portions.

- The earliest drilling was started in 1967 by Wolf Land and Exploration who was later joined in a joint venture by Conoco in 1969. Also, in 1967 Hecla Mining drilled one exploration hole on what is currently the LC East Project.

- Conoco continued to drill the property through 1977. By that time, approximately 916 exploration holes had been drilled, including 13 core holes. Abundant significant uranium mineralization had been found and a well-defined mineralized trend identified, which is currently referred to as the EMT.

- In 1978 Texasgulf continued defining the trend by drilling an additional 126 exploration holes through 1981, including three core holes of very shallow targets (less than 150 ft.).

- Portions of the current LC East Project were explored by PNC Exploration from 1987 to 1990. They drilled 21 holes within the current LC East Project in conjunction with their activities on the MMT in the Lost Creek Project.

- Prior to acquisition by URE in 2005, a total of 1,061 historical exploration holes, for a total of 474,582 ft. of drilling, had been drilled within the currently defined LC East Project, including one water well which has since been abandoned. Drilled depths average 446 ft.

6.2.4 LC North Project: Exploration Summary

The LC North Project is currently in the early to middle stage of exploration.

- The earliest exploration on record was several wide-spaced ‘wildcat’ drill holes in 1967 by Hecla Mining and Wolf Land and Exploration. This was followed in the late 1960s and early 1970s by more ‘wildcat’ drilling by Conoco, Inexco and Climax (Amax). Conoco also conducted some wide-spaced fence-line drilling in a few areas of interest. In the late 1970s and early 1980s Texasgulf conducted some medium to wide-spaced drilling as part of their

program. A minor amount of drilling was also conducted on the Project in this time frame by Minerals Exploration Company and Wold Nuclear.

- A total of 175 historical exploration holes had been drilled within the Project prior to acquisition by URE. Drilled depths ranged from 100 ft. to 1,200 ft., with an average of 600 ft.

6.2.5 LC South Project: Exploration Summary

The LC South Project is currently in the middle stage of exploration.

- The earliest exploration on record was several wide-spaced 'wildcat' drill holes in 1967 by Wolf Land and Exploration. Between 1970 and 1975 Conoco drilled a few hundred holes within the current LC South Project. Minerals Exploration Company also drilled a few holes in 1969 within portions of land they controlled. In 1980 and 1981, Texasgulf extended drilling activities into the current LC South Project area with approximately 150 drill holes.

- The southern portions of LC South were extensively drilled by Minerals Exploration Company in 1982. Approximately 101 holes were drilled to an average depth of 230 ft.

- A total of 488 historical exploration holes were drilled within the current LC South Project prior to acquisition by URE. Historical drilling encountered numerous mineralized trends that were investigated mainly by fence-line drilling.

6.2.6 LC West Project: Exploration Summary

The LC West Project has only limited historical drilling and remains in the early stage of exploration.

- A total of 68 historical drill holes (approximately 44,564 ft.) are present within the Project. Wolf Land and Exploration drilled a few wide spaced holes in 1967, followed by several holes drilled by Conoco in the early 1970s. Texasgulf drilled approximately 33 exploration holes in portions of the Project between 1976 and 1981. Finally, Minerals Exploration Company drilled approximately 20 holes.

6.2.7 EN Project: Exploration Summary

The EN Project is currently in the early stage of exploration.

- Prior to acquisition by NFU Wyoming, LLC, exploration within what is now the EN Project consisted entirely of wide-spaced historical drilling. Between the late-1960s and mid-1970s, approximately 67 holes were drilled and logged by several companies, primarily Conoco, and Humble Oil (Exxon); with minor contributions by Kerr-McGee and Teton Exploration. The earliest known exploration was conducted by Wolf Land and Exploration in 1967. Virtually no activity occurred after the late 1970s.

A summary of all historic and URE drill holes is presented in Table 5.

Table 5: Drill Hole Summary – Historical and Recent

	Plug Holes		Wells			Total	
	Exploration	Delineation	Monitor/Pump Test Wells	Water Wells	Production Pattern Wells	# Holes	Footage
Lost Creek Project							
Historic Drilling	569					569	366,268
URE Drilling (since 2005)	244	1120	282	9	974	2,629	1,499,120
Drill Hole Totals						3,198	1,865,388
LC East Project							
Historic Drilling	1061					1,062	472,994
URE Drilling (since 2011)	22	176	22	0	0	220	131,520
Drill Hole Totals						1,282	604,516
LC North Project							
Historic Drilling	175					175	117,947
URE Drilling (since 2007)	131			1		132	132,455
Drill Hole Totals						307	250,402
LC South Project							
Historic Drilling	488					488	229,166
URE Drilling (since 2007)	159			1		160	101,950
Drill Hole Totals						648	331,116
LC West Project							
Historic Drilling	68					68	44,480
URE Drilling (since 2011)							
Drill Hole Totals						68	44,480
EN Project							
Historic Drilling	67					67	55,857
URE Drilling (since 2007)	14			1		15	19,960
Drill Hole Totals						82	75,817
Grand Totals - Lost Creek Property (All Projects)							
Historic Drilling	2428			1		2,429	1,286,712
URE Drilling (since 2005)	570	1296	304	12	974	3,156	1,885,005
Drill Hole Totals						5,585	3,171,717

6.3 Previous Mineral Resource Estimates and Their Reliability

Several historical estimations of uranium mineral resources by previous operators have been made within the current Lost Creek Property. Most focused on what is now referred to as the MMT and EMT. However, because historical project boundaries varied considerably from the current project boundaries, direct comparison of historical estimates to current estimates is not possible.

Table 6 outlines various historical resource estimates covering areas within the Lost Creek Property that have been conducted by several organizations since 1978. It also lists NI 43-101 compliant resource estimates for the Lost Creek Project/Property completed since 2006 through June 17, 2015 by URE. The historical resource estimates address diverse geographical areas, various host sand horizons, and utilize different and, in some instances, unknown resource determination methods. Consequently, the historical estimates prior to 2006 cannot be used as a direct comparison with the resource estimate presented in this report. Most of the earlier resource estimates did not differentiate resources in terms of currently recognized resource categories (Measured, Indicated, and Inferred). NI 43-101 compliant resource estimates in Table 6 are superseded by the resource estimates presented in this PEA.

6.4 Production History

Regionally, historical production activities have been from the production of numerous underground and surface mines in the Crooks Gap / Sheep Mountain District approximately 25 miles to the north; at the Sweetwater Mine and Mill approximately three and one-half miles to the south; and limited ISR production in the Bison Basin approximately 27 miles to the northwest (Figure 2). All of these mining activities had ceased by the mid-1980s. Production at the Lost Creek Project commenced on August 2, 2013 with the initiation of production flow from MU1 and 1.358 million pounds of uranium have been produced up to September 30, 2015 from this mine unit. Elsewhere within the Property area, there has been no conventional or ISR production of uranium nor any pilot plant activities.

Table 6: Previous Resource Estimates

Date	Company	Total Resource	Avg. Grade	Cutoffs	Tonnage Factor	Comments	LEVEL OF CONFIDENCE					
							Measured	Avg. Grade	Indicated	Avg. Grade	Inferred	Avg. Grade
10/4/1978	Texasgulf (Freeman, Limbach) [1]	8,246,876	0.045%	10'-0.025%			-----	-----	6,468,515	0.047%	1,778,361	0.039%
2/1/1981	DOE [4]	6,378,000	0.057%	0.03%		p. 31, in-place resources	Not differentiated					
2/1/1981	DOE [4]	8,908,571	0.041%	0.02%		p. 31, in-place resources	Not differentiated					
2/9/1981	Wyoming Minerals [2,5,4]	11,008,893	0.073%	5'-0.05%			Not differentiated					
6/5/1981	Texasgulf [4]	9,072,333	0.061%	5'-0.03%		Polygon method	Not differentiated					
April,1982	Texasgulf (Mouillac & Stewart) [3, 8]	5,715,413	0.062%	5'-0.03%	16.0	Polygon method	Not differentiated					
3/31/1989	PNC Exploration-Halliwell [5]	8,072,334	0.061%	5'-0.05%	16.0	Polygon method	Not differentiated					
Jan. 1996	PNC Exploration (F.Groth) [6]	7,908,605		0.05%			Not differentiated					
5/31/2005	URE (Douglas) [7]	9,021,371	0.055%	.03% , GT.30	16.0	Cumulative GT/hole	-----	-----	8,122,287	0.055%	900,000	0.055%
6/15/2006	URE-NI 43-101 (Roscoe-Postle) [8,9]	See totals to right	0.059%	3'-.03%, GT.30	16.0	Cumulative GT/hole (Ind + Inf)	-----	-----	9,822,356	0.058%	1,111,380	0.076%
10/30/2006	URE (Douglas) [10]	6,787,000	0.059%	.03% , GT.30	16.0	Cumulative GT/horizon	Not differentiated					
4/2/2008	URE-Amended NI 43-101 (Lyntek) [11]	See totals to right	0.054%	.03% , GT.30	16.6	Cumulative GT/hole (Ind + Inf)	-----	-----	9,200,000	0.053%	700,000	0.066%
3/16/2011	URE -Prelim Assessment-(Trec) [12]	See totals to right	0.055%	.02% , GT.30	16.6	GT Contour/horizon [HJ, KM only]	2,655,000	0.052%	2,568,000	0.060%	783,000	0.051%
2/29/2012	URE -Prelim Economic Assessment-(Cooper & Bull)[13]	See totals to right	0.055%	.02% , GT.30	16.6	GT Contour/horizon [All Horizons]	2,942,900	0.055%	2,822,400	0.058%	2,017,800	0.049%
4/30/2012	URE -Prelim Economic Assessment-(Cooper & Bull)[14]	See totals to right	0.053%	.02% , GT.30	16.6	GT Contour/horizon [All Horizons]	4,198,800	0.055%	4,149,400	0.053%	2,869,100	0.049%
12/30/2013	URE-Prelim Economic Assessment – (TREC and Roughstock) [15]	See totals to right	0.051%	.02%, GT .30	16.6	GT Contour/horizon [All Horizons]	4,850,000	0.057%	3,805,000	0.048	4,740,000	0.051%
6/17/2015	URE-Technical Report – (TREC and Roughstock) [16]	See totals to right	0.049%	.02%, GT .30 & .20	16.6	GT Contour/horizon [All Horizons]	6,196,000	0.049%	3,909,000	0.047%	5,037,000	0.049%

1. *Lost Creek- Conoco Reserves*; P. Freeman, F. Limbach; October 4, 1978; Texasgulf internal report.
2. Appendix C, Resource Update as of 2/9/81; Unattached document, Texasgulf.
3. *Geology and Control of the Uranium Mineralization on the "Main Mineral Trend" – Recommendations for the 1982 Program;* J. Mouillac and M. Stewart, April 1982; Texasgulf internal report.
4. *Lost Creek and Conoco Uranium Projects*, Texasgulf Minerals and Metals, Inc.; January 1984, p. 31.
5. *PNC Exploration (USA), Red Desert Project*, D. Halliwell, March 31 1989, p. 17.
6. *ISL Addressable Reserve Estimate for PNC's Red Desert Uranium Project,* F. Groth; January 29, 1996; Internal report for PNC.
7. *Evaluation of Resources, Lost Creek Uranium Deposit*; Richard Douglas, May 31, 2005; Ur-Energy USA, internal report.
8. *Technical Report on the Great Divide Basin Uranium Properties, Wyoming Prepared for Ur-Energy Inc.*; Stewart Wallis, P. Geo, Roscoe Postle, June 15, 2005, Revised October 15, 2005.
9. *Technical Report on the Lost Creek Project, Wyoming, NI 43-101 Prepared for Ur-Energy Inc.*; Stewart Wallis, P. Geo, Roscoe Postle, June 15, 2006.
10. *Geological Report on the Lost Creek Uranium Deposit*; Richard Douglas, October 30, 2006 Ur-Energy Inc., internal report.
11. *Amended NI 43-101 Preliminary Assessment for the Lost Creek Project, April 2, 2008, as amended February 25, 2011*; J. Kyle, PE, D. Maxwell, PE, Lyntek, Inc. and Stewart Wallis, P. Geo.
12. *Preliminary Assessment Lost Creek Property Sweetwater County, Wyoming*; D. Graves, PE, M. Yovich, PE, TREC, Inc., and R. Maxwell, CPG, Behre Dolbear & Company (USA), Inc.; March 16, 2011
13. *Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming*; J. K. Cooper, SME Registered Member & C. L. Bull, PE, Ur-Energy Inc., February 29, 2012
14. *Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming*; J. K. Cooper, SME Registered Member & C. L. Bull, PE, Ur-Energy Inc., April 30, 2012
15. *Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming*; Douglass H. Graves, P.E. & Steve E. Cutler, C.P.G., December 30, 2013
16. Technical Report on the Lost Creek Property, Sweetwater County, Wyoming, Douglass H. Graves, P.E. & Steve E. Cutler, C.P.G., June 17, 2015

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional, Local, and Property Geology

The Lost Creek Property is situated in the northeastern part of the GDB, which is underlain by up to 25,000 ft. of Paleozoic to Quaternary sediments (Figures 4 and 5). The GDB together with the Washakie Basin to the south comprise the eastern half of the greater Green River Basin, which occupies much of southwestern Wyoming. The GDB lies within a unique divergence of the Continental Divide and is bounded by structural uplifts or fault displaced Precambrian rocks, resulting in internal drainage and an independent hydrogeologic system.

The geology in the GDB is dominated by the Battle Spring Formation of Eocene age. The dominant lithology in the Battle Spring Formation is coarse arkosic sandstone, interbedded with intermittent mudstone, claystone and siltstone. Deposition occurred as alluvial-fluvial fan deposits within a south-southwest flowing paleo-drainage. The sedimentary source is considered to be the Granite Mountains, approximately 30 miles to the north with possible minor contributions from volcanic sources. Maximum thickness of the Battle Spring Formation sediments within the GDB is 6,000 ft.

Approximately six miles west of the Property, the Battle Spring Formation interfingers with the Wasatch and Green River Formations of equivalent age (Eocene) within a belt roughly 15 miles wide, as shown in Figure 6. The Wasatch and Green River together represent low-energy fluvial, lacustrine and paludal depositional environments, which are time-equivalents of the alluvial fan deposits of the Battle Spring Formation.

Deep-seated regional thrust faulting associated with the Wind River thrusting occurred at depth in the central portions of the GDB. The horizontal component of displacement is possibly greater than nine miles. However, displacement does not extend to the surface. In addition, shallow normal faulting is also common throughout the GDB, having a preferential orientation that is generally east-west. These faults are relatively local and appear to be late stage events in the structural history of the basin. Throws are generally less than 200 ft. and most commonly on the order of 25 to 50 ft. as illustrated by the Lost Creek Fault, discussed below. Strata within the GDB generally exhibit gentle dips of one to three degrees to the west and southwest, increasing to as much as 20 degrees in some locations along the basin margin. Gentle folding during late Eocene accompanied late-stage regional thrusting; therefore, broad anticlinal and synclinal folds are present within the Battle Spring Formation. Similar to the shallow normal faulting, the fold axes generally are oriented east-west.

Uranium deposits in the GDB are found principally in the Battle Spring Formation, which hosts the Lost Creek Property resources. Lithology within the Lost Creek deposit consists of approximately 60% to 80% poorly consolidated, medium to coarse arkosic sand beds up to 50 ft. thick, and 20% to 40% interbedded mudstone, siltstone, claystone and fine sandstone, each generally less than 25 ft. thick. This lithological assemblage remains consistent throughout the entire vertical section of interest in the Battle Spring Formation. Figure 7 illustrates a Type Log for the Lost Creek Project and is representative of the entire Property.

Outcrop within the Property is exclusively that of the Battle Spring Formation. Due to the friable nature of the formation, this occurs largely as sub-crop beneath the soil. The alluvial fan origin of the formation yields a complex stratigraphic regime that has been subdivided throughout the Property into several thick horizons dominated by sands, with intervening named mudstones (Figure 7).

Figure 4: Geologic Map of the Great Divide Basin

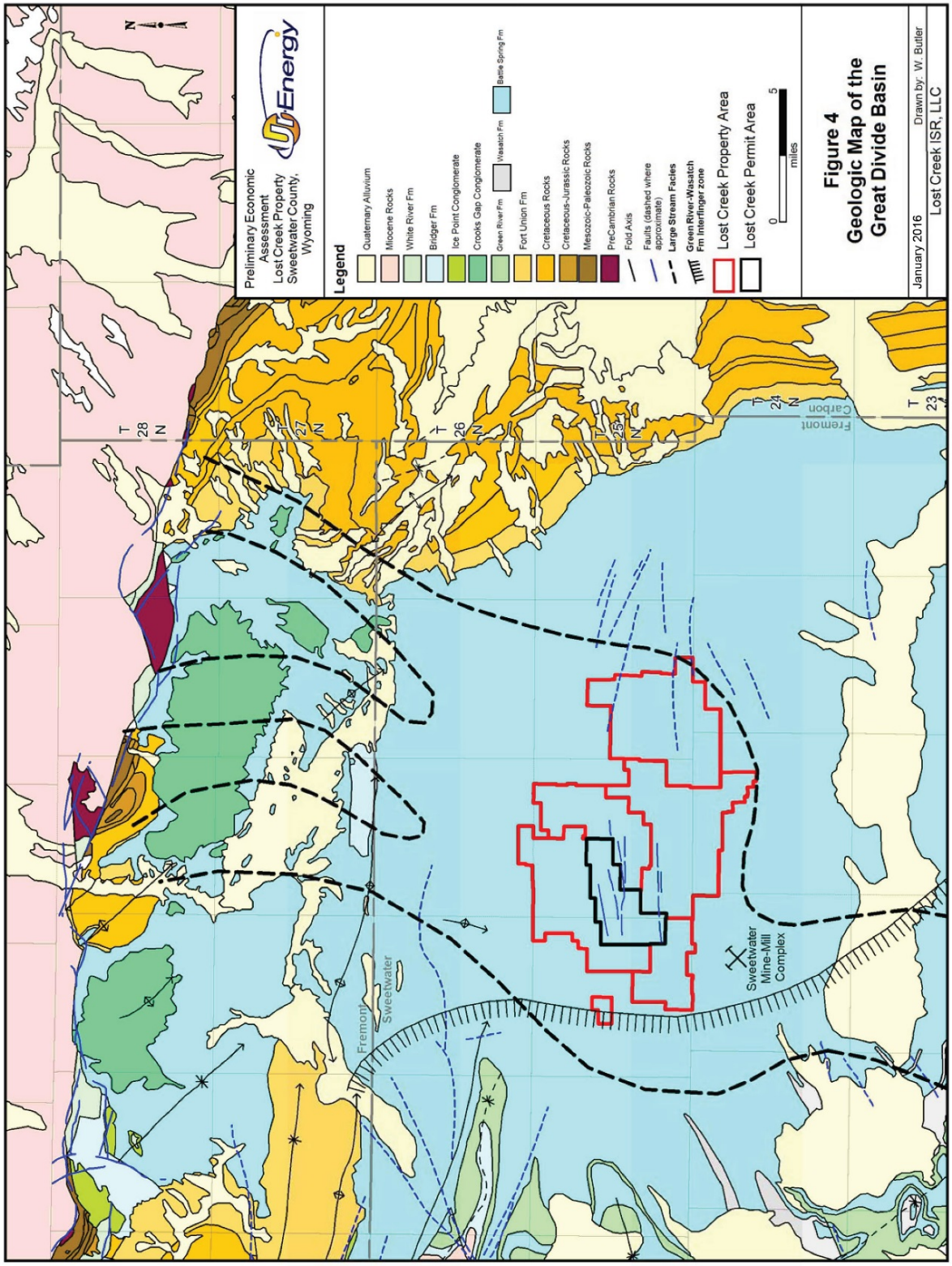


Figure 5: Schematic Geologic Cross Section, Lost Creek Project

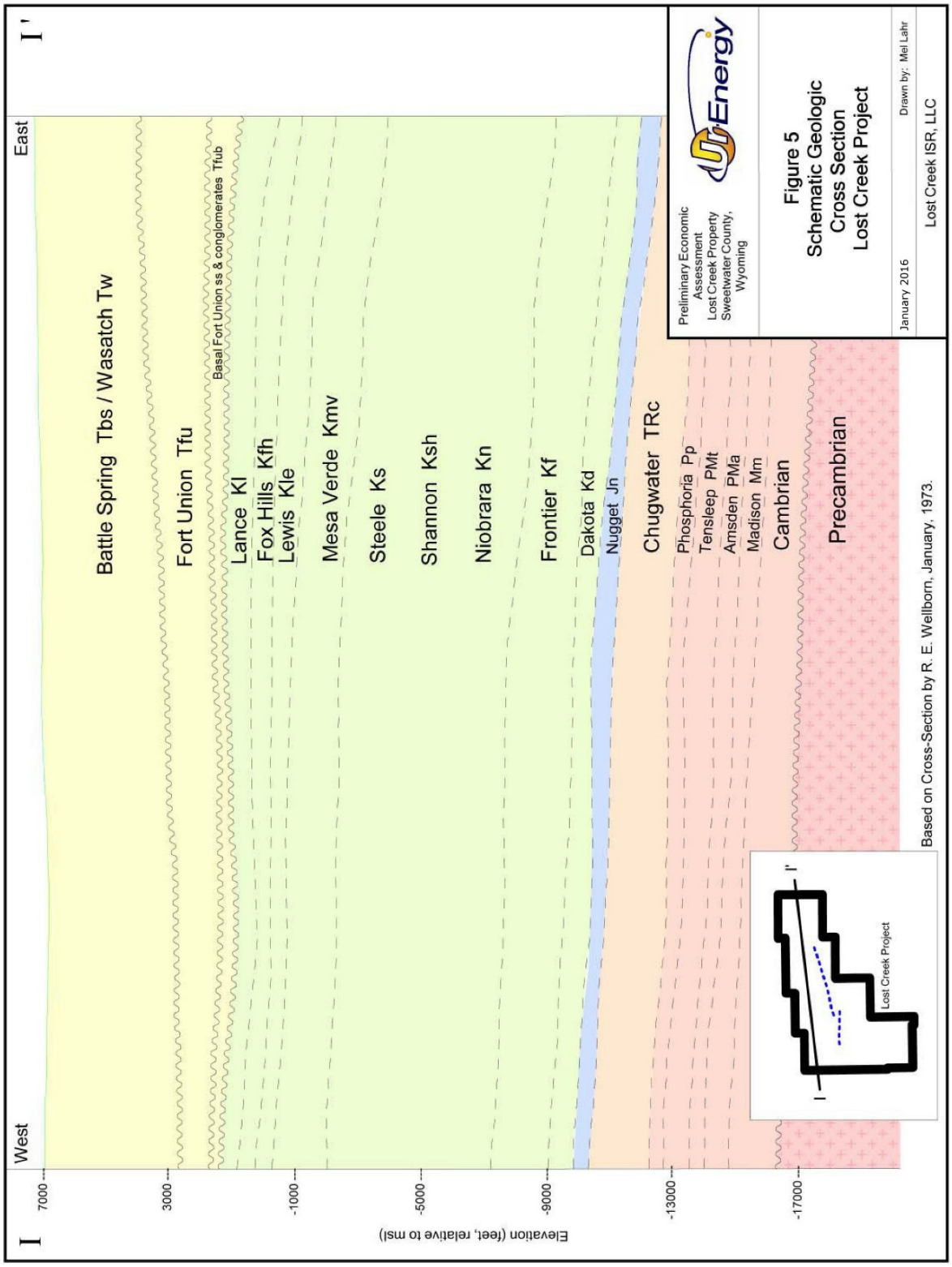


Figure 6: Stratigraphic Chart of Project Specific Geology

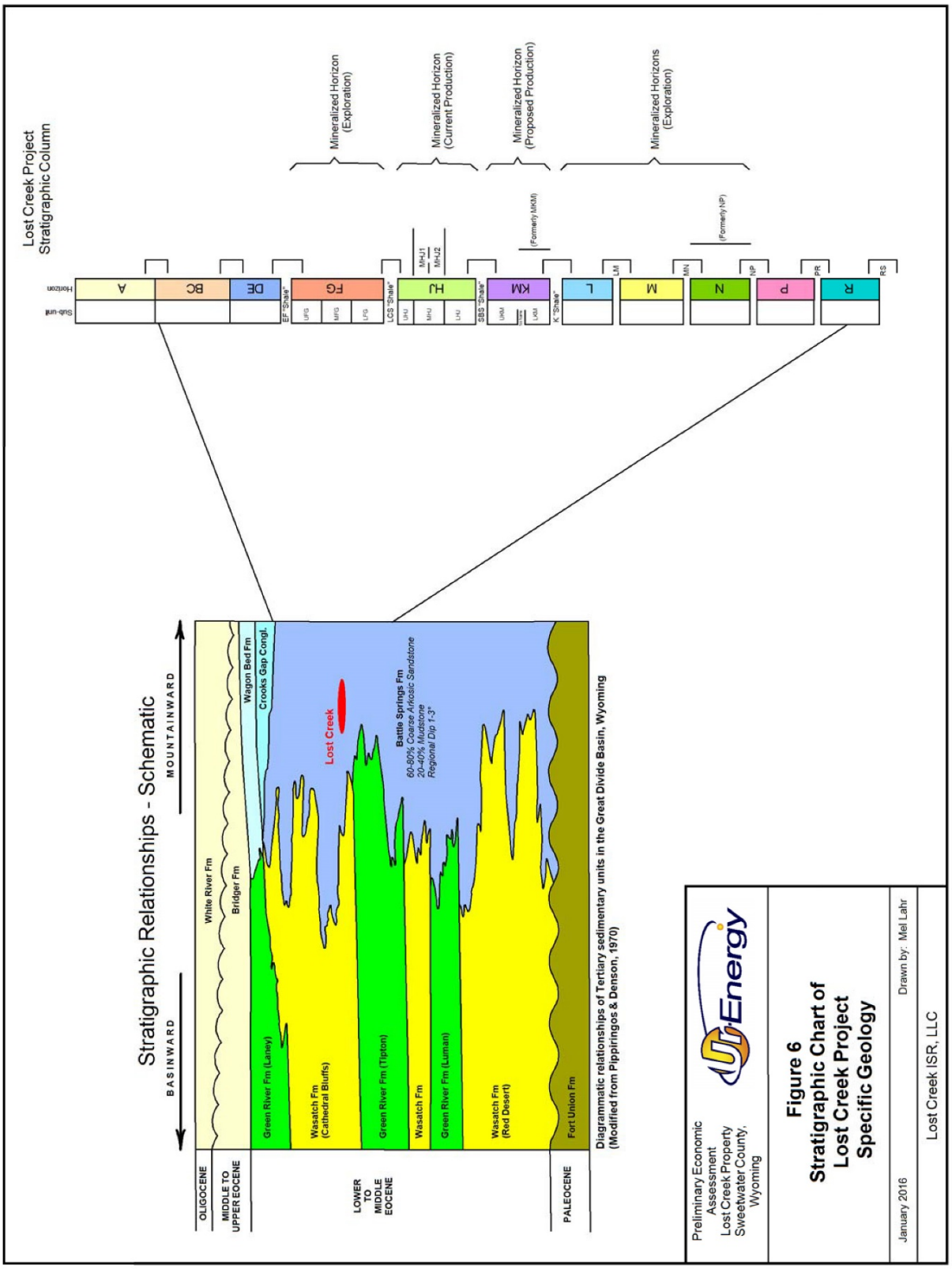
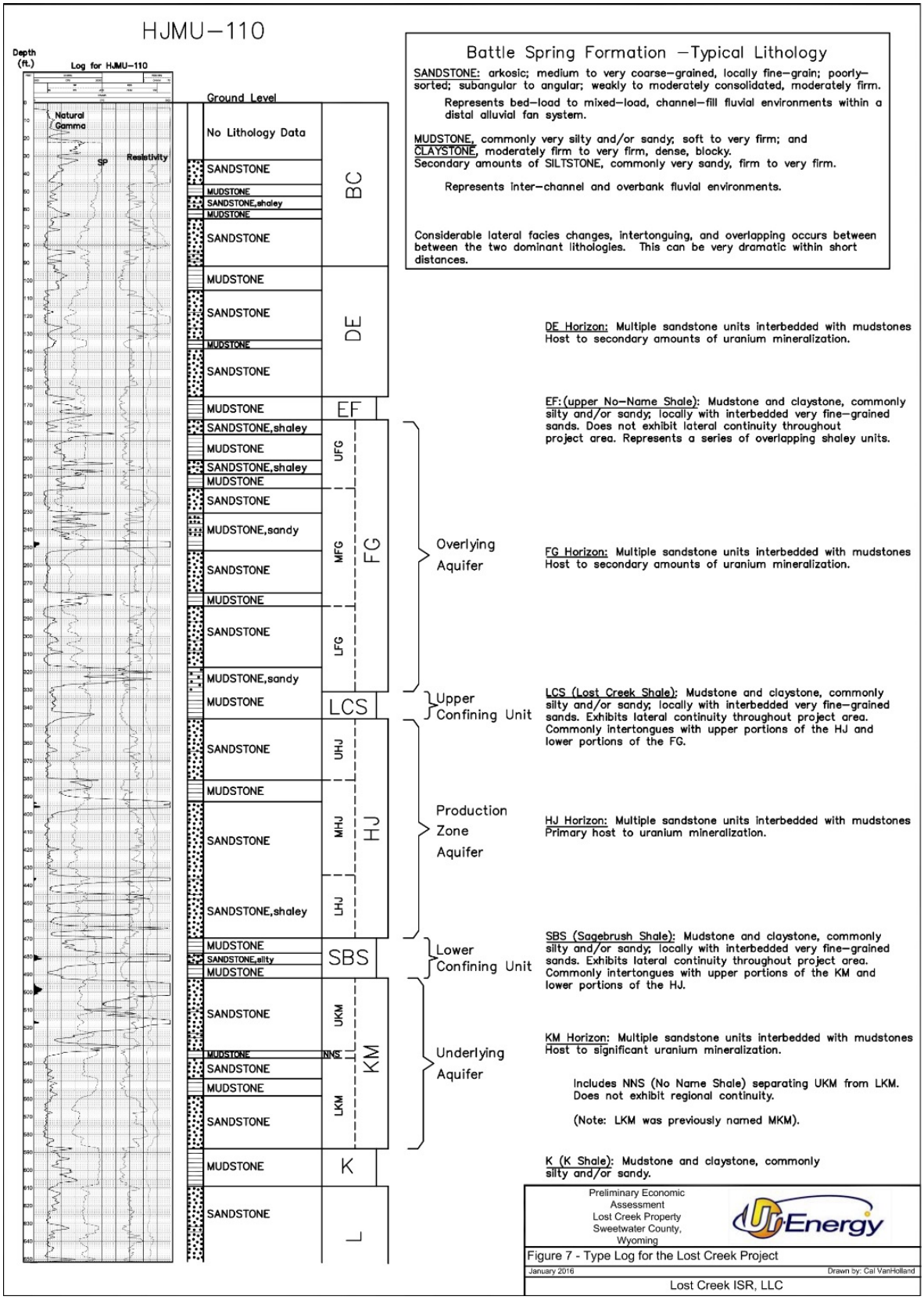


Figure 7: Type Log for the Lost Creek Project



Provided below is a brief description of each named stratigraphic unit or "horizon" for the Lost Creek Property. Descriptions of lithology and thickness should be considered generalizations, and depths below ground surface (bgs) at which a given horizon can be encountered may vary considerably due to regional stratigraphic dip and displacement due to normal faulting. Figures 8a and 8b present cross sectional views of this stratigraphic sequence within the MMT and EMT. The locations of these cross sections are shown on Figure 9.

DE Horizon -- The DE Horizon is locally absent in the northern and southern portions of the Lost Creek Property, having been removed by erosion. This horizon consists of a sequence of sands and discontinuous clay/shale units. In portions of the Lost Creek Project, the lower shale boundary is absent such that the sands of the DE Horizon coalesce vertically with sands of the underlying FG Horizon. In the Lost Creek Project, the top of the unit ranges from 80 to 200 ft. bgs and is approximately 80 ft. thick where the entire section is present.

EF Shale -- Underlying the DE is the EF Shale interval. It can be characterized as mudstone or claystone, interbedded commonly with silt and sand. This unit is not always present due to the coalescing nature of the DE and FG sands.

FG Horizon -- In the Lost Creek Project, the top of the FG Horizon occurs at depths of approximately 150 to 300 ft. bgs. The total thickness of the FG Horizon is approximately 160 ft. The FG is generally composed of fine to coarse-grained arkosic sands with thin discontinuous intervals of fine sand, mudstone and siltstone. Stratigraphically, the FG Horizon is subdivided into the Upper FG (UFG), Middle FG (MFG) and the Lower FG (LFG). The FG contains significant measurable uranium mineralization in both the Lost Creek and LC East Projects.

Lost Creek Shale (LCS) -- Underlying the FG Sands is the Lost Creek Shale. The Lost Creek Shale is continuous across the Project, ranging from 5 to 45 ft. in thickness. Typically this unit has a thickness of 10 to 25 ft. Its lithology is dominated by silty mudstone and dense claystone. It commonly includes siltstone, and may locally be sandy or contain thin lenticular sands.

HJ Horizon -- The HJ Horizon is the primary target for uranium production at the Lost Creek Project and is the dominant host for uranium in the MMT and EMT. The HJ Horizon has been subdivided into four sub-units: Upper HJ (UHJ), Middle HJ1 (MHJ1), Middle HJ2 (MHJ2) and the Lower HJ (LHJ). These sub-units are generally composed of coarse-grained arkosic sands, locally with thin discontinuous intervals of fine sand, siltstone and mudstone. Likewise, the four sub-units are separated by locally continuous mudstone and siltstone. The bulk of the uranium mineralization is present in the two MHJ sub-units. The total thickness of the HJ Horizon ranges from 120 to 140 ft., averaging approximately 130 ft. The top of the HJ Horizon ranges from approximately 300 to 450 ft. bgs within the MMT at the Lost Creek Project. The horizon shallows considerably to the north within the EMT in the LC East Project.

Sage Brush Shale (SBS) -- Beneath the HJ Horizon is the Sage Brush Shale. Within the Lost Creek Project the top of this shale ranges from 450 to 550 ft. bgs. The Sage Brush Shale is laterally extensive and ranges from 5 to 75 ft. in thickness. Lithology of the Sage Brush Shale is typically that of claystone and mudstone with interbedded silts and thin sands.

KM Horizon -- The KM Horizon is present beneath the Sage Brush Shale. The KM Horizon is generally coarse sandstone with discontinuous fine sandstone and mudstone intervals. The KM has also been further subdivided into the Upper KM (UKM) and the Lower KM (LKM). The KM Horizon is host to a significant portion of mineralization within the Lost Creek Project and therefore is a potential production aquifer. It also hosts resources in the LC East Project within the EMT. The top of the KM Horizon is usually between 450 and 600 ft. bgs within the Lost Creek Project, but only approximately 300 feet bgs in the northern portions of the LC East Project.

L, M, and N Horizons -- These horizons are collectively referred to by the Company as the "Deep Horizons" and occur immediately below the KM Horizon within a 300 to 350 ft. interval. They consist of lithologies identical to that of the HJ and KM Horizons. Currently they are the targets of exploration activities. Individually, each is approximately 100 ft. thick and is composed of multiple, stacked, coarse sands, which are commonly separated by relatively thin, discontinuous shaley zones.

East-west oriented normal faulting is common within the central portions of the GDB. These appear to be the product of relatively late-stage structural adjustments. The last displacement of these faults is post-mineralization and has offset the uranium deposits. The MMT within the Lost Creek Project is bisected by a normal fault system, referred to as the Lost Creek Fault, consisting of two faults, roughly parallel, trending east-northeast to west-southwest. The easternmost main fault is downthrown to the south with a maximum displacement of approximately 80 ft. A secondary fault is positioned along the western portion of the MMT and is located 800 to 1,600 south of the easternmost fault to which it is sub-parallel. This westernmost fault displays opposite displacement, downthrown to the north, with a maximum displacement of approximately 50 ft. Pump-testing and monitoring on both sides of both faults have demonstrated that the fault planes are effectively sealed within the HJ Horizon and thus represent hydrologic barriers or boundary conditions. The Lost Creek Fault is taken into consideration by wellfield planning and to date has not had a significant impact on production.

Faults have also been identified in the southern portions of LC East Project, which exhibit displacement of from 40 ft. to 80 ft. and may be systemically related to the Lost Creek Fault. The resulting opposing displacements on many of these faults produce horst and graben features that are local to portions of the Lost Creek Property. The presence of these faults will be a matter of consideration for production planning at LC East but, like the Lost Creek Fault, they are not considered to be significant obstacles. Additional significant faults have been identified within the Property, but are sufficiently distant as to have no effect on current or planned production.

Figure 8a: Stratigraphic Cross Section A-A'

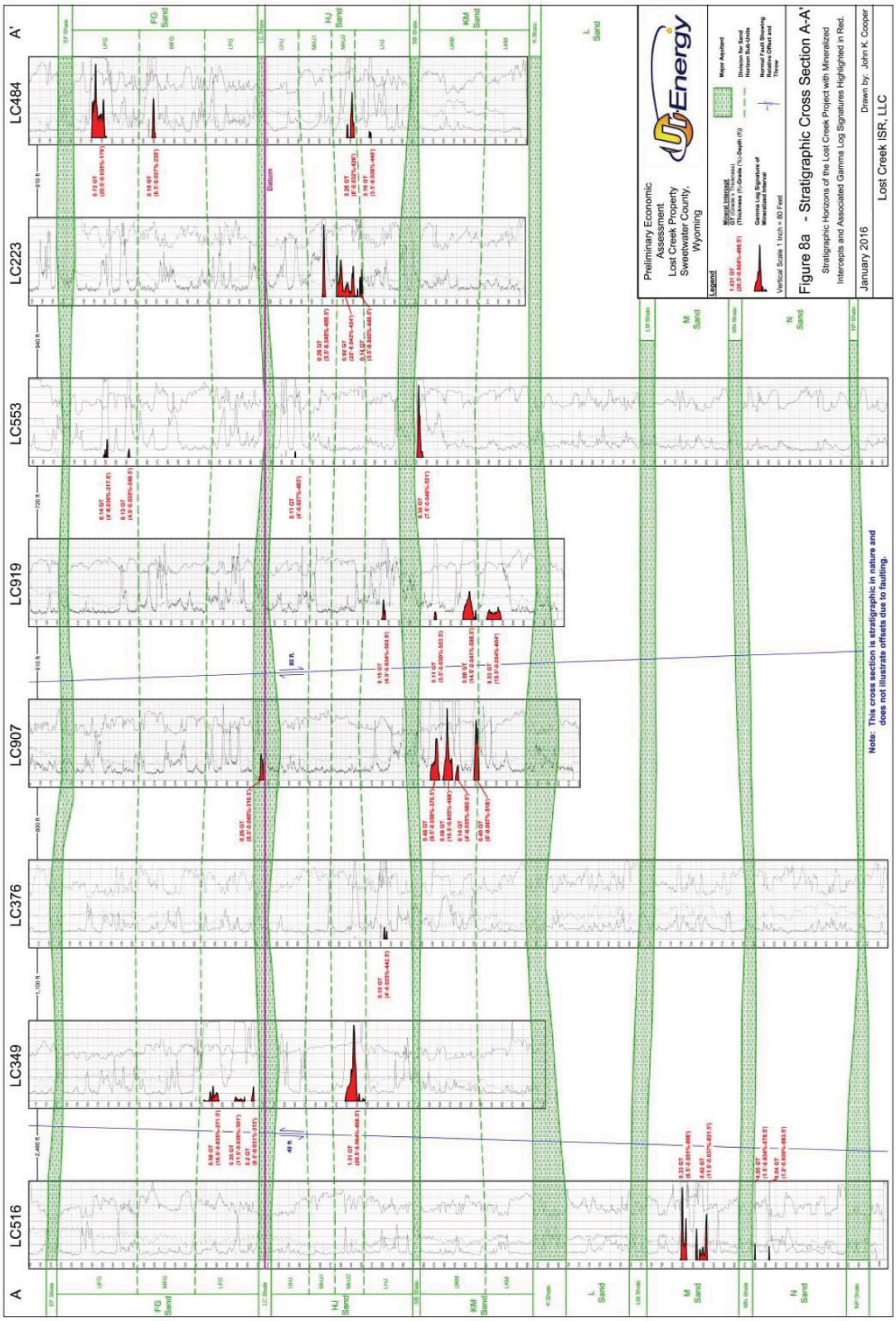
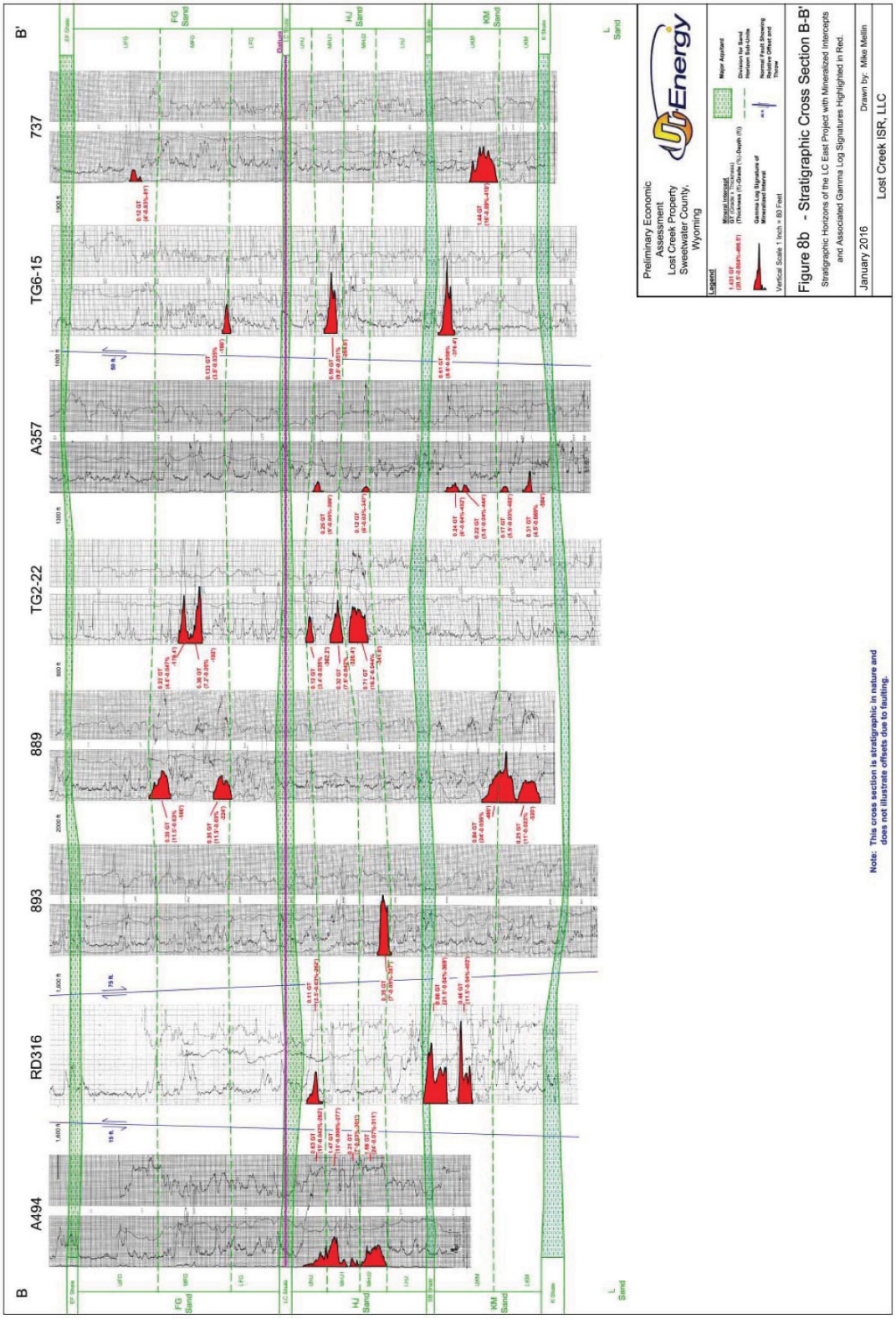


Figure 8b: Stratigraphic Cross Section B-B'



7.2 Hydrogeology

Due to a divergence in the Continental Divide, within the northeastern portion of the GDB, the basin is hydrologically closed, with all surface water draining to the interior of the basin. Available data suggest that groundwater flow within the basin is predominately toward the interior of the basin (ref., Collentine, *et al.*, 1981 and Welder, G.E. and McGreevey L.J, 1966).

Most of the surface water is runoff from precipitation or snowmelt. It quickly infiltrates the vadose zone and recharges the shallow groundwater, evaporates, or is consumed by plants through evapotranspiration. The shallowest aquifer within the Battle Spring Formation underlying the Property area is unconfined, poorly consolidated, and poorly stratified. The shallow water table is typically 80 to 150 ft. bgs.

Green Mountain, which is approximately 15 miles north of the Property, is a major recharge area for aquifers within the northeastern portion of the GDB (ref., Fisk, 1967). The Rawlins Uplift, Rock Springs Uplift, and Wamsutter Arch, located east, southwest, and southeast, respectively, from the Property, are also identified as major recharge areas for aquifers within the GDB (ref., Fisk, 1967). The main discharge area for the Battle Spring/Wasatch aquifer system is a series of lakes, springs and playa lake beds near the center of the basin. Groundwater potentiometric elevations within the Tertiary aquifer system in that portion of the basin are generally near the land surface.

The Battle Spring Formation crops out over most of the northeastern portion of the GDB, including all of the Property. It is considered part of the Tertiary aquifer system by Collentine *(ref., Collentine, et al., 1981)*, which is viewed as a hydrogeologic sequence of interest within the GDB. This regional aquifer system includes the laterally equivalent Wasatch Formation (to the west and south) and the underlying Fort Union and Lance Formations (Figure 5). The base of the Tertiary aquifer system is marked by the top of the Lewis Shale. The Lewis Shale is generally considered a regional aquitard, although this unit does produce limited amounts of water from sandstone lenses at various locations within the GDB and to the south in the Washakie Basin. Units deeper than the Lewis Shale are generally too deep to economically develop for water supply or have elevated total dissolved solid concentrations that render them unusable for human consumption. Exceptions to this can be found along the very eastern edge of the basin, tens of miles from the Property, where some Lower Cretaceous and older units provide relatively good quality water from shallow depths.

Shallower aquifer systems that can be significant water supply aquifers within the GDB include the Quaternary and Upper Tertiary aquifer systems. The shallower aquifer systems are important sources of groundwater only in localized areas, typically along the margin of the basin where the Battle Spring Formation is absent. Aquifer systems beneath the Tertiary include the Mesaverde, Frontier, Cloverly, Sundance-Nugget and Paleozoic aquifer systems (ref., Collentine, *et al.*, 1981). In the northeast GDB, these aquifer systems are important sources of water only in the vicinity of their outcrops near structural highs such as the Rawlins Uplift; elsewhere they are too deep.

Regional hydrologic units of interest within the northeast GDB from deepest to shallowest (see Figure 5) include the following:

- Lewis Shale (aquitard between Tertiary aquifer system and Cretaceous Mesaverde aquifer system);
- Fox Hills Formation (Cretaceous);
- Lance Formation (Tertiary aquifer system);
- Fort Union Formation (Tertiary aquifer system);

- Battle Spring Formation-Wasatch Formation (Tertiary aquifer system);
- Undifferentiated Tertiary Formations (Upper Tertiary aquifer system, including Bridger, Uinta, Bishop Conglomerate, Browns Park, and South Pass). These units are not present within the Property;
- Undifferentiated Quaternary Deposits (Quaternary aquifer system).

Nomenclature for the hydro-stratigraphic units of interest within the Lost Creek Property is synonymous with the Property's stratigraphic horizon names (Figure 6). The shallowest occurrence of groundwater within the Lost Creek Project area occurs near the base of the DE Horizon. The DE Horizon, however, is not saturated in all portions of the Lost Creek Property and is not defined as a groundwater unit. Below the DE is the FG Horizon, which is the first major saturated unit. The basal sand unit of the FG Horizon is designated as the overlying aquifer for the underlying HJ Horizon.

Detailed descriptions of numerous hydrogeologic tests performed within the Lost Creek and LC East Projects are contained in Section 16.1.

7.3 Mineralization of the Lost Creek Property

Mineralization at the Lost Creek Project and Adjoining Projects occurs as roll front type uranium deposits. Roll front type deposits are further described in Section 8.0 (Deposit Type).

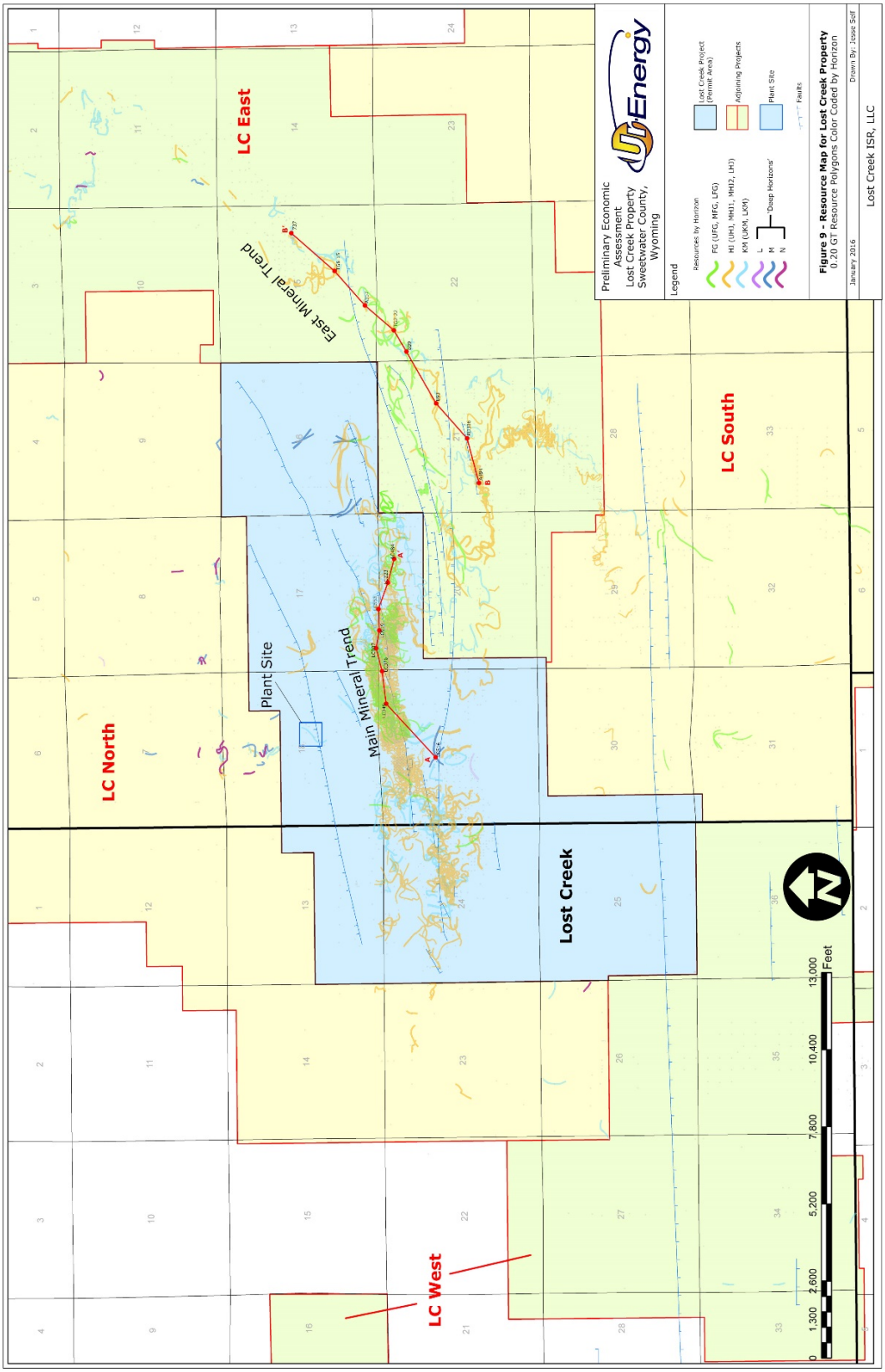
Mineralization occurs in sand horizons within the Eocene-age Battle Spring Formation. The most significant mineral resources in the Lost Creek Property occur within two major stratigraphic horizons, the HJ and the KM Horizons. The HJ Horizon contains most of the currently defined mineral resources and hosts the current production zones. As discussed earlier, the HJ Horizon is subdivided into four stratigraphic sub-horizons that are also used for resource reporting. The highest abundance of uranium mineralization occurs in the MHJ1 and MHJ2 sub-horizons. Each sub-horizon, in turn, may consist of multiple mineralized roll fronts. The HJ Horizon, as a whole, contains up to 11 individual roll fronts within a stratigraphic interval of approximately 130 ft.

The KM Horizon underlies the HJ Horizon and contains additional significant mineralization that will be targeted for future production later in the Lost Creek mine plan. Mine approvals for the KM Horizon will be addressed by the proposed amendments to the mine license and permits. To date, a total of nine individual roll fronts have been identified in the KM Horizon within a stratigraphic interval of approximately 100 ft.

Mineral resources that are currently targeted for mining in the Lost Creek Property occur within two major trends. In the Lost Creek Project, resources are focused in an east-west oriented trend approximately three miles long and 500 to 2,000 ft. wide, termed the Main Mineral Trend (MMT) (Figure 9). Mineralization targeted for mining has also been identified within the underlying KM Horizon. The FG Horizon also contains considerable mineralization.

A second mineralized trend of significance, the East Mineral Trend (EMT), was identified by historical drilling within the LC East Project (Figure 9). Although geologically similar, it appears to be a separate and independent trend from the MMT and is believed to be the product of a different mineralization system. The EMT assumes a generalized northeast-southwest orientation extending for approximately six and one-half miles with a width of 500 to 1,500 ft. As in the MMT, the known mineralization occurs mainly in the HJ and KM Horizons. Significant occurrences have also been identified in the FG Horizon.

Figure 9: Resource Map for the Lost Creek Property



Geological evaluations of historical and URE drill data have resulted in the recognition of numerous additional uranium occurrences within the Lost Creek Property. Historical exploration drilling by previous operators was conducted within all project areas. In addition, URE has conducted exploration drilling in the LC North, LC South, and EN Projects plus limited exploration drilling in LC East. These activities are discussed in Section 6.0 (History).

Mineralization has also been recognized throughout the Lost Creek Property in horizons deeper than the KM, in what are referred to as the Deep Horizons (L, M and N). Recent and historical drill hole data confirm multiple roll fronts with locally identified Inferred resources in these horizons. URE anticipates conducting future exploration drilling to further define the resource potential of these stratigraphic horizons.

Mineralogy of the zones of interest has been studied in thin section and by x-ray diffraction analysis. Mineralogical analyses were conducted in 1979 by Russell Honea (ref., Honea, 1979a and b), and in 2007 by Hazen Research (ref., Hazen, 2007) on samples derived from core. Results indicate that the uranium occurs primarily as the mineral coffinite (uranium silicate) in the form of micron- to submicron-size inclusions disseminated in and on interstitial clay, possibly absorbed by cation exchange; also intimately interspersed through some of the pyrite and as partial coatings on quartz and biotite. Minor amounts of uraninite (uranium oxide) and brannerite (uranium-titanium oxide) have also been identified. Clay rich fractions are predominantly smectite (montmorillonite), with minor kaolinite.

The Hazen Research analysis concluded that uranium should be recoverable by an ISR operation because of the unconsolidated nature of the sandstone and expected diffusion of the lixiviant through the smectite clays. Recoverability has been confirmed by leach testing (Section 13.0) and by production results in the first 26 months of production.

7.4 Disequilibrium

Uranium values derived from gamma data are termed “radiometric” values and are assumed to be equivalent (eU_3O_8) to true uranium values if equilibrium is present. In other words, equilibrium exists when the ratio of radiometric eU_3O_8 to true chemical U_3O_8 is 1:1. This can be determined by obtaining physical samples of the mineralized formation and conducting laboratory analyses of their uranium content; or by modern logging methods, including Prompt Fission Neutron logging (PFN). The true uranium content thus derived is then compared to the radiometric values in terms of GT on a per-mineralized intercept basis and that ratio is considered the Disequilibrium Factor for that uranium intercept.

The uranium content used by URE to develop the mineral resource estimates in Section 14.0 has been derived mainly from radiometric geophysical logs (gamma logs) from which the uranium content is interpreted assuming radiometric equilibrium. Justification for this interpretation method is described below.

Disequilibrium in roll front deposits becomes an issue largely because of the possibility of remobilization of uranium during the roll front formation process, or possible dispersion by modern shallow oxidizing groundwater. Each circumstance may lead to separation of uranium from its gamma-emitting daughter products, most significantly bismuth isotope 214 (^{214}Bi), which is the isotope most strongly measured by gamma logging. Since the presence of uranium is traditionally detected using gamma measurements, disequilibrium conditions could result in erroneous estimation of uranium values.

Disequilibrium within the MMT in the Lost Creek Project has been studied extensively. Core of selected mineralized zones from historical drilling and drilling conducted by URE from 2005 through 2010 have been analyzed for chemical uranium on one-foot depth intervals. Detailed comparisons of laboratory results against mineralization values derived from gamma logs have been performed.

In addition, PFN technology has been available for use in the Lost Creek Project drilling campaigns since 2008. The PFN tool provides a direct down-hole analysis of uranium by means of in-place fission of ^{235}U initiated by the emission of high energy neutrons. Output of the PFN logging is in much the same format as that from the gamma logging tool. Comparison of the mineralization reported by each method has been evaluated in detail on a per-uranium intercept basis. For any given intercept, GT values are derived from both the gamma and PFN data. A Disequilibrium Factor (DEF) is then reported as the ratio of GT values*: PFN GT ÷ Gamma GT*. Thus, a value greater than 1.0 indicates chemical enrichment compared to gamma, and a value less than 1.0 represents chemical depletion.

Uranium intercepts within virtually all stratigraphic horizons and roll front zones have been spot-tested by PFN-logging. PFN sampling methods are discussed in Section 11.0. In the Lost Creek Property, approximately 13% of all holes drilled by URE within the Property have been logged using PFN technology.

Detailed evaluation of the core and PFN results indicates that the MMT in the Lost Creek Project as a whole is in equilibrium. A statistical analysis of the data revealed that the deposit exhibits disequilibrium characteristics consistent with a relatively stable roll front deposit, including slight chemical enrichment common in the reduced facies of the Nose and Seepage zones where the vast majority of resource resides (See deposit description in Section 8.0). Conversely, a significant depletion is recognized in oxidized facies behind the front. A statistical average of all significant uranium intercepts analyzed with PFN in the MMT yielded an overall positive DEF, or moderately enriched. In spite of this fact, resource estimation methods employed by URE assume equilibrium (or DEF of 1.0) in or order to maintain a conservative perspective.

8.0 DEPOSIT TYPE

Uranium mineralization identified throughout the Property occurs as roll front type deposits, typical in most respects of those observed in other Tertiary Basins in Wyoming. Figure 10 schematically illustrates the geometry and mineralogical model of a typical roll front uranium deposit. The formation of roll front deposits is largely a groundwater process that occurs under favorable geochemical conditions. The most favorable host rocks for roll fronts are permeable sandstones within large aquifer systems. Interbedded mudstone, claystone and siltstone are often present and aid in the formation process by focusing groundwater flow.

The geometry of mineralization is dominated by the classic roll front "C" shape or crescent configuration at the alteration interface. The highest grade portion of the front occurs in a zone termed the "Nose" within reduced ground just ahead of the alteration front. Ahead of the Nose, at the leading edge of the solution front, uranium quantity gradually diminishes to barren within the 'Seepage' zone. Trailing behind the Nose, in oxidized (altered) ground, are weak remnants of mineralization referred to as "Tails" which have resisted re-mobilization to the Nose due to association with shale or other lithology of lower permeability. Tails are generally not amenable to in situ recovery because the uranium is typically within strongly reduced or impermeable strata, therefore making it difficult to leach.

The source of the uranium within the Lost Creek Property is speculative. Boberg (2010) suggests that the source within this portion of the Wyoming Uranium Province is a combination of (1) leaching of uraniferous Oligocene volcaniclastics that once covered the basins and (2) weathering and leaching of uraniferous Archean granite of the Granite Mountains (north of the GDB) which also represent the provenance of the arkosic sands comprising the Battle Spring Formation.

Oxygenated surface water passing through the overlying thick sequences of volcaniclastic material may have leached metals, including uranium. These metal-enriched fluids may have also leached additional uranium from the arkosic sands that compose the aquifers. The enriched, oxidizing fluids subsequently entered the regional groundwater systems within the basin and migrated down-dip through the aquifers as large oxidizing geochemical cells referred to as solution fronts.

Uranium precipitated in the form of roll front deposits at the leading edge of the geochemical cells where the transporting water encountered reducing geochemical environments within the host sands. Uranium quantity was enhanced where groundwater flux was focused horizontally by paleochannels or vertically by aquitards. Continuity of these conditions produced a significant accumulation of uranium at the reduction-oxidation (redox front) interface. In addition, the continued supply of oxygen to the interface leads to degradation of the reduced strata and resulted in migration down-gradient of the redox interface, thus remobilizing the associated uranium with it. In this manner the uranium deposit slowly migrated down-dip over geologic time.

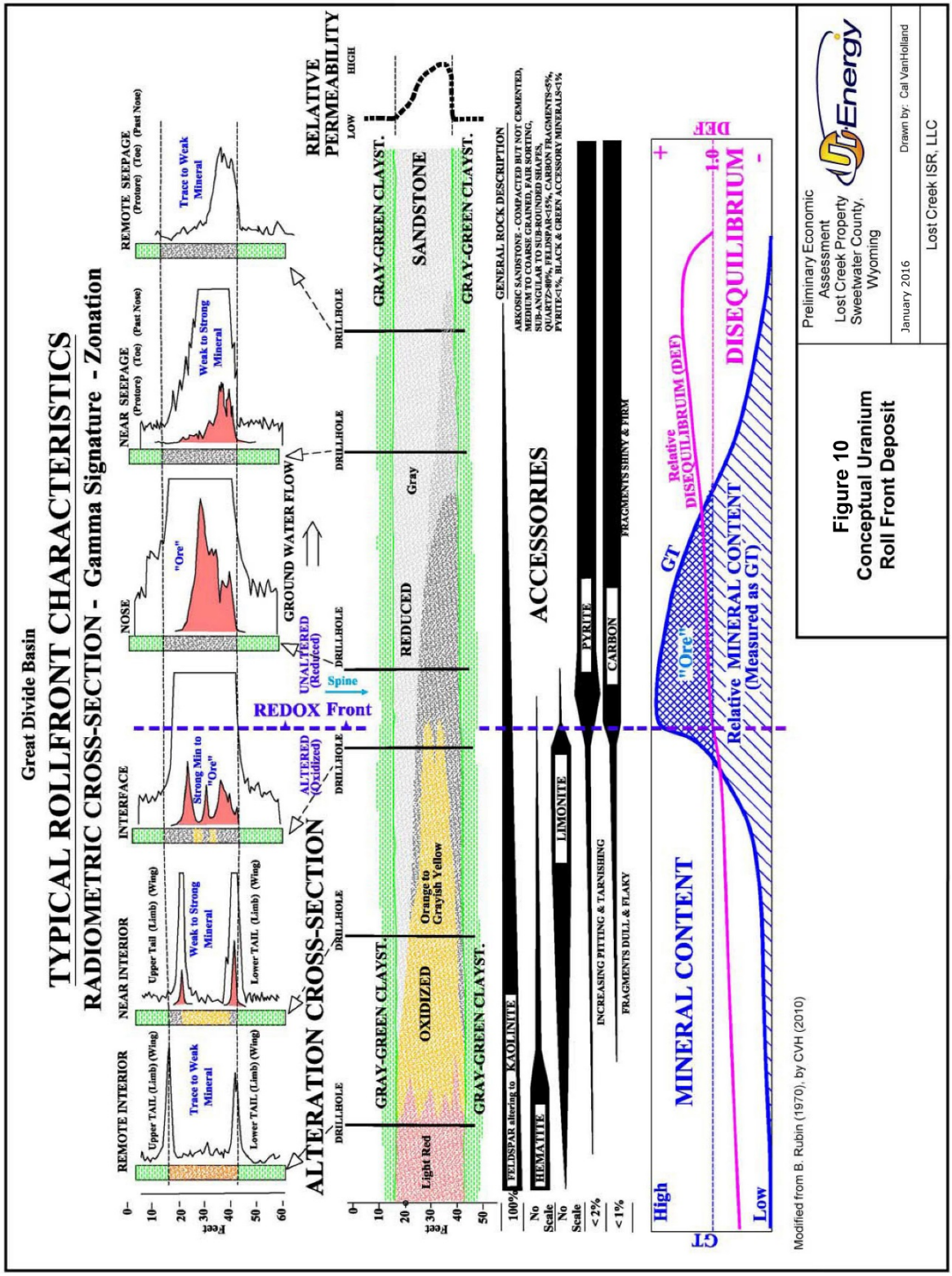
The reducing environment in the host sand is generally induced by carbonaceous material within the formation or leaked reductant gases originating from deep hydrocarbon sources. Pyrite is inherently associated with both and is a significant indicator of a reducing environment. Reduced sands are typically some shade of gray and represent the regional framework prior to mineralization. The reducing environment is subsequently altered by the passage of the oxidizing solution front. Alteration typically involves oxidation of pyrite and other iron bearing minerals to hematite or limonite/goethite and destruction of carbonaceous material. As a result, altered (oxidized) sands are typically reddish or yellowish in color. Mineralized zones within a roll front vary considerably in size and shape, but are generally long, narrow and sinuous in map view. The

total length of a mineralization trend may extend for several miles. Commonly, a deposit or mineralized trend will consist of a composite of multiple, vertically-stacked roll fronts.

Typical width of an individual roll front is generally 25 to 100 ft. However, in the case of multiple stacked fronts, the composite width may be several hundred feet across. Typical thickness of an individual roll front is roughly 5 to 25 ft. and the composite thickness of multiple, vertically stacked fronts may occupy as much as 200 ft.

As described above, the MMT, EMT and extension trends throughout the Property are the product of large regional geochemical alteration systems which resulted in a complex composite of multiple, stacked roll fronts at the reduction-oxidation interface. The roll front model and associated mineralized trends are the basis upon which the exploration and development programs are planned.

Figure 10: Conceptual Uranium Roll Front Deposit



9.0 EXPLORATION

No non-drilling exploration surveys have been conducted by URE on the Property. However, an extensive listing of historical and URE exploration, delineation and development drilling is shown in Table 5. Existing uranium resources within the property boundaries were estimated using data from this table, including the use of historical down-hole electric logs, lithology logs, drill hole location maps, summaries of mineralized drill hole intercepts and survey coordinates for drill holes. Procedures used in the verification and utilization of these historical data, as well as results of this evaluation, are described in Section 12.0 Data Verification and Section 14.0 Mineral Resource Estimate.

The results of recent URE drilling are contained in the following section.

10.0 DRILLING BY URE

URE and earlier owners have conducted extensive drill programs in the area of Lost Creek, as demonstrated in Table 5. Data from this drilling forms the basis of much of the mineral resource estimation herein. See Section 14.0. Since the completion of the June 17, 2015 Technical Report, URE has conducted development drilling within MU2 and completed the second phase of the 2015 exploration program. Results from these drilling activities, using a GT cutoff of 0.20 or better, have been used in this PEA to update Lost Creek Property resources.

10.1 MU2 Drilling

MU2 is being developed within the HJ Horizon, which has been recognized as containing ten individual sub-horizons. In the development of the first three header houses for MU2, through October 15, 2015, 138 pattern wells have been piloted. This drilling totaled 67,230 feet. In addition, 22,809 feet of drilling was conducted to complete 22 delineation holes and 20 monitor wells in the mine unit. Detailed roll front and GT contour mapping of mineralization was performed on these 180 drill holes, in order to update MU2 resources for this PEA.

Delineation drilling prior to wellfield development had been conducted on approximately 100 foot spacing and was the basis for initial wellfield resource estimates. When considering, however, that a roll front target at Lost Creek may be only 25 to 50 ft. wide, this presents circumstances in which the presence of the mineralized trend can be confirmed, but the sampling (drilling) may not test the richest portion of the roll front. Production well installation on the other hand is conducted on approximately 75 foot spacing and thus affords much additional data at closer spacing. The earlier determination to lower the GT cutoff from 0.30 to 0.20 effected an increase in resources within MU2. Additionally, the increase in drill density resulted in an increase in resources due to:

1. Recognition that the roll fronts are considerably more sinuous and convoluted than can be recognized at 100 foot drill spacing. The increased sinuosity has the effect of increasing the length of the fronts and thus an increase in resources.
2. The closer drill density results in more drill holes penetrating the “spine” of the roll fronts where the highest grade occurs (Figure 10). This increases the overall average grade and GT, thus increasing resources.

The interpretation of drill hole data from this higher-density drilling resulted in the following MU2 resource increases:

- Measured and Indicated resources were increased by 42% (682,000 pounds) from 1.606 million to 2.288 million pounds eU_3O_8.
- Inferred resources increased by 58% (184,500 pounds) from 315,500 pounds to 500,000 pounds eU_3O_8.

10.2 Exploration Drilling

A 150-hole exploration drilling program was conducted in 2015 immediately south and southeast of MU1. The primary goal of this program was to characterize three previously-identified mineralized sand units (FG, HJ, and KM). Exploratory drilling was conducted along drill hole fences spaced at 400 foot intervals along the projected mineralized trend.

The exploration program was conducted in two phases, with the first phase completed early in 2015. Ninety-one exploratory holes were drilled at the time, totaling 51,535 feet of drilling. The

first phase successfully extended several mineralization trends and increased resources within three mineralized horizons. As illustrated in Table 7, this drilling identified 120,800 pounds of new Measured and Indicated resources and 296,300 pounds of Inferred resources south of MU1. These exploration resources were reported in the June 17, 2015 Technical Report.

In third quarter 2015, the second phase of drilling was completed, consisting of 59 drill holes (24,760 feet of drilling). This drilling continued to extend the mineralization trends and increased resources within the three mineralized horizons. As illustrated in Table 7, this drilling identified an additional 18,400 pounds of new Measured and Indicated resources and 201,700 pounds of Inferred resources south of MU1. The majority of this drilling was performed on the Lost Creek Project. However, some resources were delineated within the HJ and KM horizons on the LC East Project.

Table 7: Resources Identified by 2015 Exploration Drilling Program (Outside of MU-1)

UNIT	MEASURED			INDICATED			INFERRED		
	AVG GRADE % eU_3O_8	SHORT TONS	POUNDS	AVG GRADE % eU_3O_8	SHORT TONS	POUNDS	AVG GRADE % eU_3O_8	SHORT TONS	POUNDS
FG Phase 1 Phase 2	- 	- 	- 	- 	- 	- 	0.035 0.035	134,000 33,800	98,000 24,300
HJ Phase 1 Phase 2	0.040 -	20,700 -	16,600 -	0.039 0.031	112,700 17,800	87,900 11,000	0.033 0.034	256,800 157,900	169,500 107,300
KM Phase 1 Phase 2	- 0.027	- 9,300	- 5,000	0.029 0.028	28,000 4,300	16,300 2,400	0.040 0.036	36,000 97,400	28,800 70,100
TOTAL Phase 1	**0.040**	**20,700**	**16,600**	**0.037**	**140,700**	**104,200**	**0.035**	**432,800**	**296,300**
TOTAL Phase 2	**0.027**	**9,300**	**5,000**	**0.030**	**22,000**	**13,400**	**0.035**	**289,000**	**201,700**
GRAND TOTAL	**0.036**	**30,000**	**21,600**	**0.036**	**162,700**	**117,600**	**0.035**	**721,800**	**498,000**

11.0 SAMPLE COLLECTION, PREPARATION, ANALYSIS AND SECURITY

All mineralization at the Lost Creek Property does not outcrop. Therefore, testing of the mineralization is accomplished solely by drilling. Similarly, virtually all measurement of uranium content, or "sampling," is accomplished by one or more of three methods derived from the drilling activities:

1. Down-Hole Gamma Logs: This method is the most common and provides information on mineralization. Every hole drilled on the Property is gamma logged. Gamma logging is an indirect measurement of uranium content.
2. PFN (Prompt Fission Neutron) logging of selected mineralized intervals. This method provides a direct downhole measurement of uranium content as a supplement to, and confirmation of, gamma measurements.
3. Coring: Only a small percentage of drilled holes are cored. Laboratory analyses of core provide information on uranium content and physical, mineralogical and chemical properties of the host formation.

Down-hole Geophysical Logging: Every hole completed on the Property by URE and its predecessors has been geophysically logged using a down-hole electronic probe. URE geophysical logging data have been obtained using a Company owned and operated logging unit that employs technology from GeoInstruments, Inc. of Nacogdoches, Texas; and also from a qualified independent contractor, Century Geophysical of Tulsa, Oklahoma. Down-hole measurements include gamma logs, single-point resistance, self-potential, and hole deviation.

Quality control on the logging units is performed by calibration of the logging unit at the Casper, Wyoming US Department of Energy (DOE) test pit (known source concentration) no less than once a month. Calibration is performed using industry established procedures. URE maintains detailed calibration records. Logging contractors employed by URE are required to calibrate in the same fashion and on a similar schedule. Additionally, the reliability of URE's gamma tool has been tested by repeat logging of several holes multiple times; and by duplicate logging of several holes which were also logged by independent contractors.

Gamma logs provide data that is an indirect measurement of uranium content in the host rock. Gamma radiation measurements are collected in one-tenth foot depth intervals. A DOE algorithm is used by the logging unit software to convert the gamma ray readings, measured in counts per second (CPS), into grade reported as equivalent percent uranium (% eU_3O_8). The results are reported in one-half foot increments. Mineralized intervals (uranium intercepts) are then defined by applying pre-established grade cutoffs, to report:

- Thickness of each mineralized zone (ft.). Mineralized thickness from gamma logs is considered an accurate representation of the true thickness because the strata are essentially horizontal and drill holes are virtually vertical;
- Average Grade within each thickness interval (% eU_3O_8);
- Depth (bgs) to the top of the intercept (ft.); and
- GT: Calculated as the average grade multiplied by thickness (%ft.) for each intercept interval (usually expressed without units).

PFN Logging: PFN is considered a direct measurement of true uranium concentration (% U_3O_8) and is used to verify the grades of uranium intercepts previously reported by gamma logging. PFN logging is accomplished by a down-hole probe in much the same manner as gamma logs, however only the mineralized interval plus a buffer interval above and below are logged. After

review of the gamma log from each drill hole, the URE field geologists determine if any intercepts warrant PFN logging, based on the GT of the gamma intercepts (GT ≥ 0.10). If selected by the field geologist and if the PFN tool is available within a reasonable time frame, the hole will be logged by PFN. As such, the PFN results are employed only as a confirmation of gamma derived results, but not as a complete replacement or duplication of them. Approximately 13% of all holes drilled by URE on the Lost Creek Property have been PFN logged. Quality control for the PFN is performed at the DOE test pit in a manner similar to that described above for the gamma tool.

Core Samples: Core samples have been obtained from approximately one percent of the holes drilled by URE at the Lost Creek Property. Core holes are located as close offsets of previously drilled holes, which showed uranium intercepts of interest. Select intervals within holes of interest are cored by means of a mud-rotary drill-rig employing a 15-ft. long, split-tube core barrel. Core recovery has been approximately 95%. Core is described in detail and photographed in the field. Additionally, the core is scanned in the field on one-half foot intervals with a hand-held scintillometer to identify sections of higher radioactivity for sampling. The scintillometer results are also employed to provide a detailed depth correlation and comparison between the gamma log and core depths provided by the driller. Depth correlation accuracy of less than one-half foot is normally obtained. The core is then vacuum sealed in plastic bags. Samples selected for laboratory analyses are later cut in one foot intervals, split by hand longitudinally and bagged by URE employees for shipping. Analysis has been conducted by qualified laboratories for uranium content (discussed below). In addition, selected samples are tested for density, permeability and other physical features, as well as leach amenability. Samples for leach testing are vacuum sealed again immediately after selection and prior to shipping to the lab.

Drill Cutting Samples: During drilling of all holes, cuttings are collected at five-foot intervals. Detailed descriptions of each of these samples are then documented by the field geologists. Drill cutting samples are valuable for lithologic evaluation and also for description of redox conditions, based on sample color. However, these samples are not analyzed for uranium content because there is considerable dilution and mixing which occurs as the cuttings are flushed to the surface. In addition, the samples are not definitive with regard to depth due to variation in the lag time between cutting at the drill bit and when the sample is collected at the surface.

Analyses, and Security: After collection and documentation in the field, cores and other physical samples derived from URE's drilling activities at the Property were delivered to Energy Laboratories, Inc. (Energy), an independent commercial laboratory in Casper, Wyoming. Energy has been performing uranium analyses and testing for over 30 years and is considered by Mr. Bonner to be qualified to secure, handle and analyze samples in accordance with industry standards. Energy has an industry-standard internal QA/QC system including routine equipment calibration and the use of standards, blanks, duplicates and spikes. Testing of physical properties (porosity, permeability) have also been performed by Maxim Technologies of Billings, Montana and Weatherford Laboratories of Casper, Wyoming (ref., Weatherford, 2010). Hazen Research, Inc. (Hazen Research) and Assayers Canada LTD (now SGS) performed analyses of certain duplicate samples. All of these laboratories are also independent, certified commercial laboratories.

Data from historical sampling, prior to URE, were derived by reputable exploration companies and are assumed to have been collected, secured and analyzed in accordance with standard industry practices at the time. More recent data have been validated by calibration of down-hole gamma and PFN comparison against laboratory assay results, as described in the prior section. The calibration confirmed the ability to appropriately use the down-hole data for resource estimate calculations.

Mr. Bonner has reviewed URE Standard Operating Procedure documents and guidelines and found them to be consistent with industry practice. He is of the opinion that the sampling, analyses, and security relevant to the data used in the present resource estimate have been performed to standard industry practices and are acceptable and appropriate for use in the resource estimate.

12.0 DATA VERIFICATION

Data supporting this report come almost exclusively in the form of drill data gained from historical drilling activities by previous operators and those conducted by URE since acquisition of the Property. Quality control of URE drill data has been discussed in Section 11.0. The tabulations of uranium intercepts compiled by URE have been confirmed by Mr. Bonner to be consistent with the original down-hole electric logs and the geophysical operator's uranium intercept calculations.

URE has verified historical drill data by conducting confirmation drilling and coring in the Lost Creek Project adjacent to selected historical exploration holes with results that validate the historical data. In addition, several historical drill holes have recently been re-entered and re-logged with the gamma tool for comparison to the initial historical gamma logs. In all cases the repeatability of the data was within approximately 10%. Furthermore, uranium intercept data of previous operators in all Projects have been evaluated and selectively checked for accuracy by re-calculation of grade and thickness using standard methods established by the U.S. Atomic Energy Commission (AEC). Review of these data has concluded that the historical uranium intercept data are valid and do not require re-calculation. Mr. Bonner has compared the historical drill log uranium values to the URE tabulations and confirmed the validity and accuracy of the procedure.

The historical drill data supporting Adjoining Projects are derived from the same large regional historical drill database that covers the Lost Creek Project. That database was a part of the acquisition of NFU Wyoming, LLC in 2005, in which the Company acquired the Lost Creek Project. Extensive drilling by URE in the Lost Creek Project over the years has confirmed the validity of the database within that Project, as discussed above. Therefore, it is reasonable to assume that the same historical data, derived from the same operators, are accurate and valid within the Adjoining Projects as well.

In the LC East Project, URE possesses gamma logs for virtually every historical drill hole (approximately 1,063 holes). Uranium data employed in the current LC East resource estimates have been collected from varied historical sources in URE's data files, mainly 1) historical drill hole maps with uranium intercept values (most abundant source) and 2) grade calculation sheets within drill hole file folders. Where such information was not available, uranium intercept values were calculated from the gamma logs by URE geologists using the standard AEC calculation method mentioned above and employing a grade cutoff of 0.020%. In addition, numerous historical uranium intercepts were re-calculated by URE geologists for confirmation of that data. In total, approximately 17% of all uranium intercepts within the LC East Project have been calculated by URE geologists. A statistical comparison of URE calculated uranium intercept values to historical uranium intercept values yielded an average variance of 8.6%. Mr. Bonner considers this to be adequate for a precise estimation of resources. Therefore, the current resource estimation remains based largely on historical uranium intercept data supplemented with recent data derived from URE drilling in 2012 and 2015. Where available, the values recently calculated by URE replaced the historical uranium intercept values. URE continues its analyses and recalculation of all uranium intercepts within the LC East Project.

As a Qualified Person, Mr. Bonner is of the opinion that the quality of the data is acceptable for use in this PEA.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral processing tests were performed on Lost Creek core as early as 1979 by Texasgulf and 1981 by Wyoming Minerals Corporation. These tests, using bicarbonate lixiviant, resulted in extractions ranging up 81% for agitation leach tests and 89% for column leach tests. In 2005 and 2007, URE conducted more leach tests on samples from the HJ Horizon, using Energy Laboratories. The 2005 tests demonstrated an average recovery of 82.8% while the 2007 testing concluded that a significant portion of the uranium, about 83%, can be leached from the samples. The purpose of these early leach tests was not to predict a percent recovery from planned ISR operations, but rather to demonstrate that the uranium ore was amenable to leaching by bicarbonate lixiviants.

Favorable uranium recoveries to date from production operations in MU1 support the positive pre-mining leach test results. Comparing recoveries against pore volumes circulated, production has exceeded expectations due to head grades averaging significantly higher than the originally forecasted level of 47 mg/l. For example, HH1-1 has a Measured Resource of 172,857 pounds U_3O_8 under-pattern. As of September 30, 2015, after circulation of 28.6 pore volumes of mining fluid, 164,490 net pounds U_3O_8 have been recovered. This represents a 95.2% recovery. HH1-1 has been operating for the longest period of time and would be expected to have one of the higher recovery factors with MU1. Similarly, HH1-2 has produced 141,070 net pounds U_3O_8 over 21.7 pore volumes for an 72.0% recovery factor and after 23.3 pore volumes HH1-3 has produced 206,288 net pounds U_3O_8 for an 92.5% recovery. The average recovery for the first three header houses in MU1, through September 30, 2015, was 86.5%.

To date, all uranium production from MU1 has come from the HJ Horizon. In 2010, URE performed leach testing on samples from the deeper KM Horizon. Seven samples obtained from one-foot sections of core were tested for mineral recovery. Table 8 presents the combination of lixiviants that were evaluated and are shown with the recovery results after 30 pore volumes, in five pore volume increments. The variables in the lixiviants were bicarbonate concentration and oxidant (peroxide) strength using ambient groundwater, except for one test conducted with laboratory grade water. The individual leach periods were 16 hours each. Twenty-five pore volumes of bicarbonate leach solution were passed through the samples. Uranium recovery ranged from 54.1 to 93.0% with an average uranium recovery of 80.6%.

Table 8: KM Horizon - Leach Test Results, 2010

Sample ID	Solution Base	Bicarbonate (NaHCO3) (g/L)	Peroxide (H_2O_2) (g/L)	U Recovery %	Average Solution (mg/L U)
LC46-01	Groundwater	Natural Bicarb	0.25	54.1	42.0
LC46-02	Groundwater	1.0	0.25	87.2	78.8
LC46-03	Groundwater	1.5	0.25	87.7	84.6
LC46-04	Groundwater	2.0	0.25	89.0	84.8
LC46-05	Groundwater	2.0	0.50	93.0	92.6
LC46-06	Distilled Water	0.5	0.50	74.0	66.3
LC46-07	Distilled Water	1.0	0.50	88.0	81.0

The results of these KM tests are similar to those performed on earlier HJ samples and demonstrate the likely continued amenability to in situ recovery of mineralized zones within the Battle Spring Formation for the entire Lost Creek Property. See further discussion, Section 25.1.

14.0 MINERAL RESOURCE ESTIMATES

The mineral resources for the Property reported here have been estimated utilizing the grade-thickness (GT) contour method. The GT contour method is well accepted within the uranium ISR industry and is suited to guide detailed mine planning and estimates of recoverable resources for roll front type deposits such as the Lost Creek Property. A discussion of the methodology is presented below in Section 14.4.

Resource estimation for the Lost Creek Property does not include mineralization above the static water table as such mineralization is not amenable to in-situ recovery.

14.1 Assumptions

Resources within the Lost Creek Property are identified recognizing that roll front mineralization occurs in long, narrow, sinuous bodies, which are found adjacent and parallel to alteration (redox) fronts. These commonly occur in multiple, vertically stacked horizons, each of which represents a unique resource entity. Resource classification requires horizontal continuity within individual horizons. Accumulation of resources in a vertical sense (*i.e.,* accumulating multiple intercepts per drill hole) is not valid in ISR applications. Individual roll fronts within mineralized horizons are assumed to be 50 ft. wide (based on project experience) unless sufficient information is available to establish otherwise.

In addition, certain assumptions were incorporated throughout all calculations:

1. No disequilibrium. Therefore, the radiometric equilibrium multiplier (DEF) is 1.0.
2. The unit density of mineralized rock is 16.6 cubic ft. per ton, based on numerous core density measurement results (ref., Maxim Technologies Inc. / Tetra Tech, Inc., 2005a, 2005b, 2006).
3. All geophysical logs are assumed to be calibrated per normal accepted protocols, and grade calculations are accurate.
4. All mineralization classified as a resource occurs below the static water table.

14.2 Cutoff Selection

Throughout the history of the Property, various minimum grade cutoffs have been applied to define uranium intercepts for resource estimation. Historical activities targeted resources for conventional mining techniques and generally used a 0.030% or 0.025% grade cutoff. Earlier URE resource estimates also used a 0.030% cutoff. However, resource estimates beginning with the March 2011 Lost Creek Property PEA (ref., TREC, 2011) have employed uranium intercepts reported at the 0.020% grade cutoff, recognizing that ISR mining is much less sensitive to grade than conventional mining. The cutoffs used in this report are typical of ISR industry practice and represent appropriate values relative to current ISR operations. Experience at other ISR operations has demonstrated that grades below 0.020% can technologically be successfully leached and recovered, given supporting economics. Due to the nature of roll front deposits and production well designs, the incremental cost of addressing low grades is minimal (given the presence of higher grades).

Over two years of ISR production at the Lost Creek Project has provided URE a unique insight into the uranium roll front deposits of the Lost Creek Property. Uranium recovery in its first mine unit (MU1) at Lost Creek has been noteworthy. As described in the June 2015 Technical Report for the Lost Creek Property, in order to reconcile higher-than-expected uranium recoveries from production operations in MU1, the grade thickness (GT) cutoff for uranium intercepts used in resource estimation was lowered from 0.30 to 0.20. Mining fluids have obviously been contacting and taking into solution some of this lower GT material and lowering the cutoff grade to 0.20 GT better represents the in-situ uranium resources.

For this report, all resource estimations for Lost Creek Property have used the new 0.20 GT cutoff. All earlier resource estimations for the Property (pre-2015) used a 0.30 GT cutoff.

In summary, mineralization reportable as resources must be below the static water level and meet the following cutoff criteria (see also Section 14.4):

Minimum Grade: 0.020% eU_3O_8. Grade measured below this cutoff is considered as zero value.
Minimum GT (Grade x Thickness): 0.20 GT. Intercepts with GT values below this cutoff are mapped exterior to the GT contours employed for resource estimation, given zero resource value and therefore are excluded from reported resources.
Minimum Thickness: No minimum thickness is applied, but is inherent within the definition of GT (Grade Thickness).

14.3 Resource Classification

Resource estimates were prepared using parameters relevant to the proposed mining of the deposit by ISR methods. The methodology relies on detailed mapping of uranium mineralization to establish continuity of intercepts within individual sandstone host units. This method is more regimented and results in a more detailed analysis than methods utilized by URE during earlier stages of property evaluation (prior to TREC, 2011).

URE employs a conservative resource classification system that is consistent with standards established by the CIM. Mineral resources are identified as Measured, Indicated and Inferred based ultimately on the density of drill hole spacing, both historical and recent; and continuity of mineralization within the same mineralized horizon (roll front).

In simplest terms, to conform to each classification, resources determined using the GT contour method (see Section 14.4) must now meet the following criteria:

1. Meet the 0.02% grade cutoff
2. Occur within a contiguous mineralized horizon (roll front)
3. Fall within the 0.20 GT contour and
4. Extend no farther from the drill hole than the radius of influence specified below for each category.

Employing these considerations, mineralization that meets the above criteria is classified as a resource and assigned a level of confidence via the following drill spacing guidelines:

Measured:	
≤100 ft.	(*i.e.,* mineralization on trend, within the 0.20 GT contour, and which does not extend beyond 100 ft. from any given drill hole with a uranium intercept ≥ to the minimum GT cutoff).
Indicated:	
100 - 200 ft.	(*i.e.,* mineralization on trend, within the 0.20 GT contour, and which extends from 100 ft. to 200 ft. from any given drill hole with a uranium intercept ≥ to the minimum GT cutoff).
Inferred:	
200 - 400 ft.	(*i.e.*, mineralization on trend, within the 0.20 GT contour, and which extends from 200 ft. to 400 ft. from any given drill hole with a uranium intercept ≥ to the minimum GT cutoff).

Mineralization occurring more than 400 ft. beyond any given drill hole with a uranium intercept ≥ to the minimum GT cutoff is considered exploration potential and given no value.

Isolated occurrences of mineralization meeting the GT cutoff criteria (*i.e.,* single isolated mineralized drill holes) are classified as Inferred, and are defined as mineralization which occurs within the qualifying GT contour for the given uranium horizon and extending no more than 400 ft. beyond the sample point (drill hole). See Section 14.4 Methodology for additional discussion.

14.4 Methodology

Fundamentals

The Property resources are defined by utilizing both historical and recent drilling information. The basic unit of uranium mineralization is the "Uranium Intercept" and the basic unit of a uranium resource is the "Mineralized Horizon", which is generally synonymous to a roll front. Uranium intercepts are assigned to named mineralized horizons based on geological interpretation by URE geologists founded on knowledge of stratigraphy, redox, and roll front geometry and zonation characteristics. Resources are derived and reported per mineralized horizon (*i.e.,* per roll front). In any given geographic area, an accumulation of resources in a particular mineralized horizon may be combined into a "Resource Area" (further defined in Section 16.2).

Uranium Intercepts

Uranium intercepts are derived from drill hole gamma logs and represent where the drill hole has intersected a mineralized zone. Calculation of the uranium content detected by gamma logs is traditionally reported in terms of uranium grade as eU_3O_8% (equivalent uranium) on one-half foot depth increments. A uranium intercept is defined as a continuous thickness interval in which uranium concentration meets or exceeds the grade cutoff value, which is 0.02 eU_3O_8% for the Lost Creek Property. Mineralization below the cutoff grade is treated as zero value with regard to resource estimation. A uranium intercept is defined in terms of:

- Thickness of the mineralized interval that meets cutoff criteria
- Average Grade of uranium within that interval
- Depth (bgs) to the top of that interval

In addition, a GT value is assigned to each uranium intercept, defined as the average grade of the intercept times the thickness of the intercept. GT is a convenient and functional single term used to represent the overall quality of the uranium intercept. It is employed as the basic criterion to characterize uranium intercepts for use in the resource estimation process, which at the Lost Creek Property has been redefined as GT ≥ 0.20. Intercepts, with GTs < 0.20, are excluded from the resource calculation, but may be taken into consideration when drawing GT contours.

Each uranium intercept is assigned to a stratigraphic and mineralized horizon by means of geological evaluation. The primary criterion employed in assignment of uranium intercepts to mineralized horizons is roll front correlation. Depth and elevation of intercepts are secondary criteria that support correlation. The evaluation also involves interpretation of roll front zonation (position within the roll front) by means of gamma curve signature, redox state, lithology and relative uranium content (Figure 10). Uranium intercept data and associated interpretations are stored in a drill hole database inventoried per drill hole and mineralized horizon. Using geographic information system (GIS) software, this database is employed to generate map plots displaying GT values and interpretive data for each mineralized horizon of interest. These maps become the basis for GT contouring as described below.

GT Contouring and Resource Estimation

For the map plots of GT values mentioned above, the GT contour lines are drafted honoring all GT values. Contours may be carefully modified by URE geologists where justified to reflect knowledge of roll front geology and geometry. The GT contour maps thus generated for each mineralized horizon form the foundation for resource calculation. In terms of geometry, the final product of a GT contoured mineralized horizon typically represents a mineralized body that is long, narrow, sinuous, and which closely parallels the redox front boundary. Parameters employed to characterize the mineralized body are:

Thickness: Average thickness of uranium intercepts assigned to the mineralized horizon (inherent in GT values)

Grade: Average grade of uranium intercepts assigned to the mineralized horizon (inherent in GT values)

Depth: Average depth of uranium intercepts assigned to the mineralized horizon

Area: Defined as the area interior to the 0.20 GT contour lines, more specifically:

- Width: Defined by the breadth of the 0.20 GT contour boundaries. Where sufficient data are unavailable, (*i.e.,* wide-spaced drilling), the width is assumed to be no greater than 50 ft.
- Length: Defined by the endpoints of the 0.20 GT contour boundaries. Where sufficient data is unavailable, length is limited to 800 ft. (*i.e.,* 400 ft. on either side of an isolated drill hole – Inferred resource category).

For resource estimation, the area of a mineralized horizon is further partitioned into banded intervals between GT contours, to which the mean GT of the given contour interval is applied. Area values for each contour interval are then determined by means of GIS software. Once areas are derived and mean GT values are established for each contour interval, resources are then

calculated for each contour interval employing the following equation. Resources per contour interval are then compiled per mineralized horizon and per mineralized 'pod' as discussed below.

$$\textbf{POUNDS} = \frac{\textbf{AREA x GT x 20 x DEF}}{\textbf{TF}}$$

Where:

POUNDS	= Resources (lbs.)
AREA	= Area measured within any given GT contour interval ($ft.^2$)
GT	= Mean GT within any given contour interval (%-ft.)
20	= Conversion constant: grade percent and tons to unit lbs (1% of a ton)
DEF	= Disequilibrium factor (=1.0, no disequilibrium)
TF	= Tonnage Factor: Rock density, a constant (=16.6 $ft.^3$/ton). (Enables conversion from volume to weight)

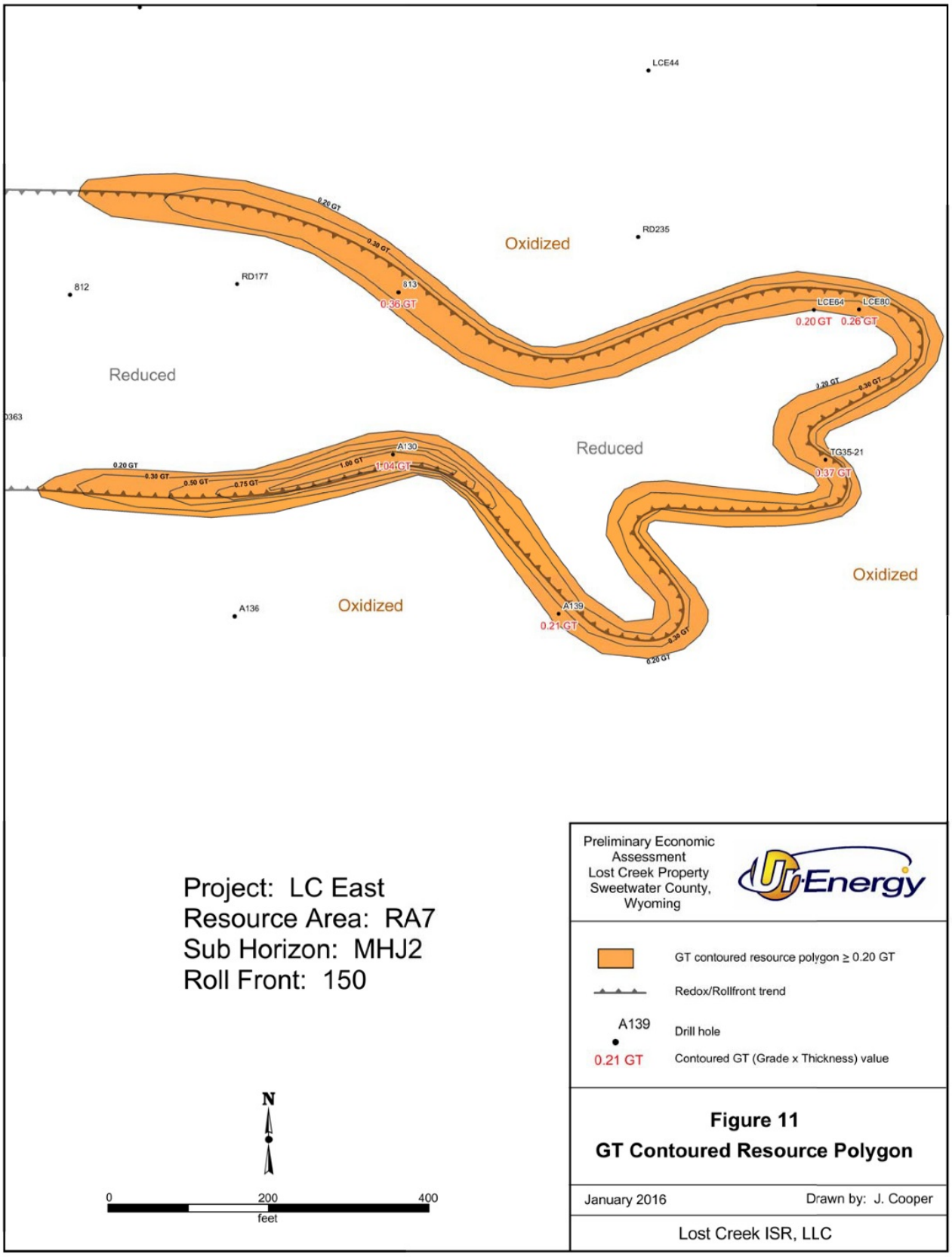
In map-view, resources for any given mineralized horizon often occur in multiple 'pods' rather than a single continuous body. Individual pods are then compiled per mineralized horizon, summed and categorized by level of confidence (Measured, Indicated, or Inferred) using the criteria discussed in Section 14.1. The resource calculation process is streamlined using the same GIS software in which the mapping and GT contouring took place. Figure 11 is an example of a GT Contoured Resource Polygon generated by URE geologists for an individual mineralized pod. This resource was developed in the MHJ2 Sub Horizon within Resource Area 7 (LC East Project). This figure illustrates how GT contour mapping (based on a 0.20 GT cut-off) can delineate a continuous mineral resource where mapped in conjunction with the oxidation/reduction boundary.

As is evident, the GT contour method for resource estimation is dependent on competent roll front geologists for accurate correlation and accurate contour depiction of the mineralized body. Uranium industry experience has shown that the GT contour method remains the most dependable for reliable estimation of resources for roll front uranium deposits.

CIM Compliance

All resource calculations provided by URE are based on accurate drill hole data and use the correct methods to calculate total pounds. Contours of 0.20 GT and above, as described elsewhere, were included in the resource calculation that accurately represents the recent change in cutoff grade from 0.30 to 0.20 GT. Resources were classified as Measured, Indicated, and Inferred based on drill spacing. Only areas with mineralized drill holes within 100 feet of each other and on the same horizon were classified as measured, those within 200 feet of each other were classified as indicated and those within 400 feet were inferred. All relevant data was used in the calculation of this uranium resource. The preparation of this resource estimate was supervised by the Qualified Person, Mr. Bonner.

Figure 11: GT Contour Resource Polygon



14.5 Production of Mineral Resources

Through September 30, 2015, 1,358,407 pounds of uranium oxide have been captured within the plant at the Lost Creek Project from MU1 since mining operations commenced. This production has come from Measured Resources from the HJ Horizon. Table 9 illustrates the impact of this production on Lost Creek Project resources.

To address these produced pounds, the Lost Creek 2015 exploration program was developed to identify additional uranium resources to act as replacement of uranium produced at the Lost Creek Mine. This program, as described in Section 10.2, identified an additional 139,200 lbs. of Measured and Indicated resources, along with 498,000 lbs. of Inferred resources immediately south and southeast of MU1.

14.6 Summary of Resources

Mineral resources are summarized in Table 1 and also in Table 9 where they are listed by project and resource horizon. Figure 9 illustrates the location of resources as defined by outlines of the 0.20 GT contour mineralized 'pods' and trends for the Property.

The current mineral resource estimate for the Lost Creek Property is 13.251 million pounds in the Measured and Indicated categories (after adjustment for MU1 production) with an additional 6.439 million pounds in the Inferred category. In general, the current resource estimate represents a net increase to the Lost Creek Property (all Projects) of 3.146 million pounds in the Measured plus Indicated categories (after adjustment for MU1 production) and 1.402 million pounds in the Inferred category if compared to the previous estimates in the June 2015 Technical Report. This represents a 31% and 28% increase in the respective categories. These increases to the total Property resource are attributed to additional resources identified during MU2 wellfield installation, new exploratory drilling adjacent to and south of MU1 and revising all Property resources using a new 0.20 GT cut off. As is reflected in Table 9, the average grade of the revised resources is slightly reduced from previous resource estimates due to the lowering of the GT cut off.

14.7 Mineral Resource Estimate Risk

To the extent known, the Authors are unaware of any current environmental, permitting, legal, title, taxation, socio-economic, marketing, or political factor which could materially affect the accessibility of estimated resources. Risks regarding the recovery of resources are addressed in Section 25.1.

Future potential legal risks to the accessibility of the estimated resource may include changes in the designation of the sage grouse as an endangered species by the U.S. Fish and Wildlife Service (USFWS) because the Property lies within a sage grouse core area as defined by the state of Wyoming. In September 2015, the USFWS issued its finding that the Greater Sage Grouse does not warrant protection under the Endangered Species Act (ESA). The USFWS reached this determination after evaluating the species' population status, along with the collective efforts by the BLM and U.S. Forest Service, state agencies, private landowners and other partners to conserve its habitat. After a thorough analysis of the best available scientific information and taking into account ongoing key conservation efforts and their projected benefits, the USFWS determined the species does not face the risk of extinction now or in the foreseeable future and therefore does not need protection under the ESA. Should future decisions vary, or state or federal agencies alter their management of the species, there could potentially be an

impact on future expansion operations. However, URE continues to work closely with the Wyoming Department of Game and Fish and the BLM to mitigate impacts to the sage grouse.

As is typical for mineral resource estimates, there is risk of improper interpretation of geological data such as grade or continuity. Improper geological data interpretation could impact the estimated resource estimate, either positively or negatively. URE has expended considerable effort to ensure the accuracy and validity of drilling and mineralized data used as the foundation of the resource estimates, as discussed in Sections 7.0 (Geological Setting and Mineralization), 11.0 (Sample Collection, Preparation, Analysis and Security) and 12.0 (Data Verification). Additionally, geologists contributing to this report are thoroughly trained in understanding the nature of roll front uranium deposits to ensure realistic and accurate interpretations of the extent of mineralization.

The mining industry is subject to extensive environmental and other laws and regulations, which may change at any time. Environmental legislation and regulation is evolving in a manner which is resulting in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. In addition to the ESA listing decision made in 2015, above, other rulemakings and proposed legislation are ongoing. For example, following a public comment period early in 2015, the US EPA continues with its rulemaking on changes to Part 192, which sets forth groundwater restoration and stabilization requirements for ISR uranium projects. Other EPA rulemakings related to tailings facilities and holding ponds, which may also have an impact on ISR projects, including Lost Creek, are at various stages. These are not the only laws and regulations which are under consideration and propose more restrictive changes.

Table 9: Lost Creek Property Resources, by Project

HORIZON	MEASURED AVG GRADE % eU_3O_8	MEASURED SHORT TONS (X 1,000)	MEASURED POUNDS (X 1,000)	INDICATED AVG GRADE % eU_3O_8	INDICATED SHORT TONS (X 1,000)	INDICATED POUNDS (X 1,000)	INFERRED AVG GRADE % eU_3O_8	INFERRED SHORT TONS (X 1,000)	INFERRED POUNDS (X 1,000)
LOST CREEK PROJECT									
FG Horizon	0.047	1,525	1,449	0.049	268	265	0.039	200	156
HJ Horizon	0.048	6,179	5,893	0.045	2,593	2,348	0.043	1,650	1,415
HJ Production Through 09/30/2015	0.048	-1,415	-1,358						
Total HJ - Post Production	0.048	4,764	4,535						
KM Horizon	0.047	635	595	0.045	970	878	0.051	1,023	1,054
L Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
M Horizon	-----	-----	-----	-----	-----	-----	0.042	221	186
N Horizon	-----	-----	-----	-----	-----	-----	0.077	22	33
Total - LOST CREEK	0.048	6,924	6,579	0.046	3,831	3,491	0.046	3,116	2,844
MEASURED + INDICATED =					10,755	10,070			
LC EAST PROJECT									
FG Horizon	0.116	37	86	0.055	179	199	0.042	526	444
HJ Horizon	0.051	1,067	1,081	0.040	1,086	865	0.043	1,231	1,050
KM Horizon	0.049	288	282	0.041	594	481	0.041	1,168	967
L Horizon	-----	-----	-----	0.029	24	14	0.029	9	5
M Horizon	-----	-----	-----	0.046	9	8	0.044	20	18
N Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total – LC EAST	0.052	1,392	1,449	0.041	1,891	1,567	0.042	2,954	2,484
MEASURED + INDICATED =					3,283	3,016			
LC NORTH PROJECT									
FG Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
HJ Horizon	-----	-----	-----	-----	-----	-----	0.045	216	193
KM Horizon	-----	-----	-----	-----	-----	-----	0.052	174	180
L Horizon	-----	-----	-----	-----	-----	-----	0.032	163	104
M Horizon	-----	-----	-----	-----	-----	-----	0.061	77	94
N Horizon	-----	-----	-----	-----	-----	-----	0.031	14	9
Total - LC NORTH	0	0	0	0	0	0	0.045	645	581
LC SOUTH PROJECT									
FG Horizon	-----	-----	-----	0.054	73	80	0.046	332	304
HJ Horizon	-----	-----	-----	0.029	146	85	0.031	251	154
KM Horizon	-----	-----	-----	-----	-----	-----	0.036	54	38
L Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
M Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
N Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total - LC SOUTH	0	0	0	0.037	220	165	0.039	637	496
LC WEST PROJECT									
FG Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
HJ Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
KM Horizon	-----	-----	-----	-----	-----	-----	0.109	16	34
L Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
M Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
N Horizon	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total - LC WEST	0	0	0	0	0	0	0.109	16	34

(Continued on next page)

Table 9: Lost Creek Property Resources, by Project (continued)

SUMMARY

PROJECT	MEASURED AVG GRADE % eU_3O_8	MEASURED SHORT TONS (X 1000)	MEASURED POUNDS (X 1000)	INDICATED AVG GRADE % eU_3O_8	INDICATED SHORT TONS (X 1000)	INDICATED POUNDS (X 1000)	INFERRED AVG GRADE % eU_3O_8	INFERRED SHORT TONS (X 1000)	INFERRED POUNDS (X 1000)
LOST CREEK	0.048	6,924	6,579	0.046	3,831	3,491	0.046	3,116	2,844
LC EAST	0.052	1,392	1,449	0.041	1,891	1,567	0.042	2,954	2,484
LC NORTH	-----	-----	-----	-----	-----	-----	0.045	645	581
LC SOUTH	-----	-----	-----	0.037	220	165	0.039	637	496
LC WEST	-----	-----	-----	-----	-----	-----	0.109	16	34
EN	-----	-----	-----	-----	-----	-----	-----	-----	-----
GRAND TOTAL	0.048	8,316	8,028	0.044	5,942	5,223	0.044	7,368	6,439

MEASURED + INDICATED =	14,258	*13,251*

Notes:

1. Sum of Measured and Indicated tons and pounds may not add to the reported total due to rounding.
2. % eU_3O_8 is a measure of gamma intensity from a decay product of uranium and is not a direct measurement of uranium. Numerous comparisons of eU_3O_8 and chemical assays of Lost Creek rock samples, as well as PFN logging, indicate that eU_3O_8 is a reasonable indicator of the chemical concentration of uranium.
3. Table shows resources based on grade cutoff of 0.02 % eU_3O_8 and a GT cutoff of 0.20.
4. Measured, Indicated, and Inferred Mineral Resources as defined in Section 1.2 of NI 43-101 (the CIM Definition Standards).
5. Resources are reported through October 15, 2015.
6. All reported resources occur below the static water table.
7. 1,358,407 lbs. of uranium have been produced from the HJ Horizon in MU1 (Lost Creek Project) as of September 30, 2015.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

15.0 MINERAL RESERVE ESTIMATES

Mineral reserves were not estimated for this PEA.

16.0 MINING METHODS

16.1 Mineral Deposit Amenability

URE is using the in situ recovery (ISR) technique at the Lost Creek Project. ISR is employed because this technique allows for the low cost and effective recovery of roll front mineralization. An additional benefit is that the in situ technique is relatively environmentally benign when compared to conventional open pit or underground recovery techniques. The in situ technique does not require the installation of tailings facilities or significant surface disturbance.

This mining method utilizes injection wells to introduce a mining solution, called lixiviant, into the mineralized zone. The lixiviant is made of natural groundwater fortified with oxygen as an oxidizer, sodium bicarbonate as a complexing agent, and carbon dioxide for pH control. An alternative for lixiviant makeup is the omission of sodium bicarbonate while increasing the addition of carbon dioxide. This version allows for the generation of natural sodium bicarbonate from the formation. The oxidizer converts the uranium compounds from a relatively insoluble +4 valance state to a soluble +6 valance state. The complexing agent bonds with the uranium to form uranyl carbonate which is highly soluble. The dissolved uranyl carbonate is then recovered through a series of production wells and piped to a processing plant where the uranyl carbonate is removed from the solution using Ion Exchange (IX). The groundwater is re-fortified with the oxidizer and complexing agent and sent back to the wellfield to recover additional uranium.

In order to use the in situ technique the mineralized body must be: saturated with groundwater; transmissive to water flow; and amenable to dissolution by an acceptable lixiviant. While not a requirement, it is beneficial if the production zone aquifer is relatively confined by overlying and underlying aquitards so it is easier to maintain control of the mining lixiviant. 282 monitor and pump-test wells have been completed within the Lost Creek Project (Table 5) in the various horizons to determine the elevation of the water tables. The natural hydrostatic pressure within each horizon causes the water table to rise in the well casing to approximately 170 to 200 ft. bgs. All horizons deeper than the DE are completely saturated at the Lost Creek Project.

URE has been collecting lithologic, water level, and pump test data as part of its ongoing evaluation of hydrologic conditions at the Lost Creek Project. In addition to URE's data collection, historical hydrogeological data collected for Texasgulf (ref., Hydro-Search, Inc., 1982) were used to support this hydrologic evaluation. Water level measurements, both historical and recent, provide data to assess potentiometric surfaces, hydraulic gradients and inferred groundwater flow directions for the aquifers of interest at the Project.

Numerous hydrogeologic tests have been performed within the Lost Creek and LC East Projects to demonstrate that the HJ and KM Horizons are sufficiently transmissive to allow the lixiviant to flow through the production zone and dissolve the uranium mineral.

- A long-term pump test and several shorter-term pump tests (ref., Petrotek Engineering Corporation, 2007, 2009, 2013) (ref., Hydro-Engineering, 2007), plus the pump tests conducted for Texasgulf (ref., Hydro-Search, Inc., 1982), were used to evaluate hydrologic properties of the aquifers of interest, to assess hydraulic characteristics of the confining units, and to evaluate impacts to the hydrologic system of the Lost Creek Fault through the Lost Creek Project.

- In October 2011, hydrologic investigations were conducted to provide support for a proposed amendment application to include the KM Horizon within Resource Area 3 (RA3)

in current state and federal permits. A regional pump test was completed in the KM Horizon in RA3 at a pumping well located south of the Lost Creek Fault. The testing objectives were to: 1) evaluate the hydrologic aquifer characteristics, 2) demonstrate hydrologic communication between the KM Horizon pumping well and the surrounding monitor wells, 3) evaluate the presence of hydrologic boundaries, and 4) demonstrate isolation between the KM Horizon and the overlying and underlying horizons sufficient for the purposes of ISR mining. The test results indicated: 1) varying amounts of hydraulic communication between the two underlying L and M Horizons, thus indicating that the KM Horizon is hydraulically connected, 2) drawdown responses in the overlying HJ Horizon and the lowermost N Horizon were minor, and 3) the Lost Creek Fault acts as a partial barrier to flow as a zone of lower permeability.

- In October 2012, "5-spot" hydrologic testing was completed in the KM Horizon in Resource Area 3, which supplemented the regional pump test conducted in October 2011. The purpose of the testing was to assess the level of hydraulic communication between the KM Horizon (potential production zone) and the underlying L, M and N Horizons and also the overlying HJ Horizon within a pattern of wells simulating a typical commercial scale five-spot production pattern. Hydrologic testing conducted in the KM Horizon indicated varying amounts of hydraulic communication between the two underlying L and M Horizons confirming that these horizons are hydraulically connected. Based on hydrologic testing results to date, it is anticipated that the minor communication between the KM Horizon and the overlying and underlying horizons can be managed through operational practices, detailed monitoring, and engineering operations.

- In August 2013, a mini-pump test was conducted in MU2 for the purpose of assessing the level of hydraulic communication between the HJ Horizon and the overlying and underlying horizons, with the focus on the role that historical exploration drill holes might play in cross-aquifer communication. Based on the minimal or lack of response observed in the overlying and underlying horizon observation wells, the abandoned historical exploration drill holes appear sealed and are not providing a flow conduit between the horizons in the tested area.

- In the LC East Project area, URE installed 26 monitoring wells into the various FG, HJ, KM and N Horizons. From September – December 2013, regional hydraulic pump tests were conducted using these wells. To evaluate aquifer characteristics, two pump tests were conducted in the HJ Horizon and three tests were conducted in the KM Horizon. Results demonstrated there was no measureable hydraulic communication between the HJ and KM Horizons, as well as no measureable hydraulic conductivity with the underlying N Horizon. Preliminary findings indicate that the mapped faults are not sealed but act as low-flow boundaries. The pump tests results demonstrate that the HJ and KM Horizons have sufficient transmissivity for ISR operations.

The hydraulic properties are consistent with the rates at other successful ISR operations. While production well flow rates observed to date confirm very good aquifer characteristics, injection capacity is the limiting factor in the final wellfield production rates. See Section 7.2 for additional discussion on the Property's hydrogeology. LC has been operating the Lost Creek Mine since August 2013. Through September 30, 2015, 1,358,407 pounds of uranium oxide have been captured in the plant from MU1. Uranium recovery from the first five production header houses has exceeded their original resource estimates, and uranium recovery from all five header houses continue today at grades that remain above original projections. In order to reconcile the

recoveries, the mineral resources for the mine unit have been re-estimated to reflect additional geologic data gathered from wellfield drilling as well as the greater than expected recoveries.

In addition, several lab tests have been carried out on core samples from the Lost Creek Project to ensure leachability with an acceptable lixiviant. Test results demonstrate leach amenability as well as minimal presence of product contaminants in the leachate. See Section 13.0 for a complete discussion of leach test results. At the LC East Project additional baseline monitor well installations were completed in the summer of 2012. These have demonstrated that the static water table and hydrogeological conditions in the southern portions of LC East are similar to those at the Lost Creek Project and amenable to ISR extraction. However, in the northern extremes of the Project the strata shallow considerably such that mineralization within the HJ Horizon is present under unconfined water table conditions which may make ISR extraction difficult. Potential mining activity in this area is focused on the KM Horizon, which remains under suitably confined groundwater conditions.

16.2 Mine Development

To aid in systematic development of resources, URE has designated several Resource Areas within the Lost Creek Property which represent the accumulation of resources within a given horizon in a given geographical area (Figure 12). Economic analyses in this PEA are performed solely on these designated areas, due to the vertical and lateral continuity of the resources. In a general sense they are precursors to production wellfields, which may be derived from all or part of a Resource Area. At the current time, approximately 87% of the total Lost Creek Property resources, as presented in Table 9, are contained within Resource Areas.

A Resource Area (RA) converts to a Mine Unit (MU) if the perimeter monitor ring for the Mine Unit is defined. (Note, however, that the number sequence of Resources Areas may not coincide with the number sequence of proposed mine units.) Currently there are 12 Resource Areas (RAs) in the Lost Creek Property. RAs 1 to 6 and 12 lie within the Lost Creek Project. RAs 7 to 11 lie within the LC East Project. Resource Areas commonly overlap where resources in both the HJ and KM Horizons are targeted for potential production. RAs 1 and 2 have been converted to MU1 and MU2, respectively.

Using the initial (2013) resource estimations for the Mine Units and Resource Areas, the Lost Creek plant is designed to generate approximately 0.9 to 1.0 million pounds of production per year for several years. At full projected flow capacity and at an average uranium content of the lixiviant of 47 mg/L the originally calculated output would be approximately one million pounds annually. Contents in excess of 47 mg/L U will allow for reduced flowrates. Lower uranium contents would result in production of less than one million pounds at the projected maximum flow rate of approximately 6,000 gpm.

The production rate in 2015 through 2018 is modeled here to be between 0.75 million and 0.85 million pounds, increasing after 2018 to approximately one million pounds. Production is currently modeled to decrease in 2030 based on current production estimates and complete in 2031. Total life of mine production of 13.8 million pounds is based on the resource estimate for the 12 Resource Areas summarized in Table 10 and a future recovery rate of 80%. Market conditions and contract sales generally define the production rate for the Project.

Within a production wellfield (mine unit), the most fundamental component of mine development and production is the production pattern. A pattern consists of one producer well and the injection wells which feed lixiviant to it. Injection wells are commonly shared by multiple producers. Header

houses serve multiple patterns and function as both distribution points for injection flow and collection points for production flow from the producer wells. The processing plant feeds injection lixiviant to the header houses for distribution to the injector wells, and also receives and processes production flow from the header houses.

Figure 12: Resource Areas – Lost Creek Property

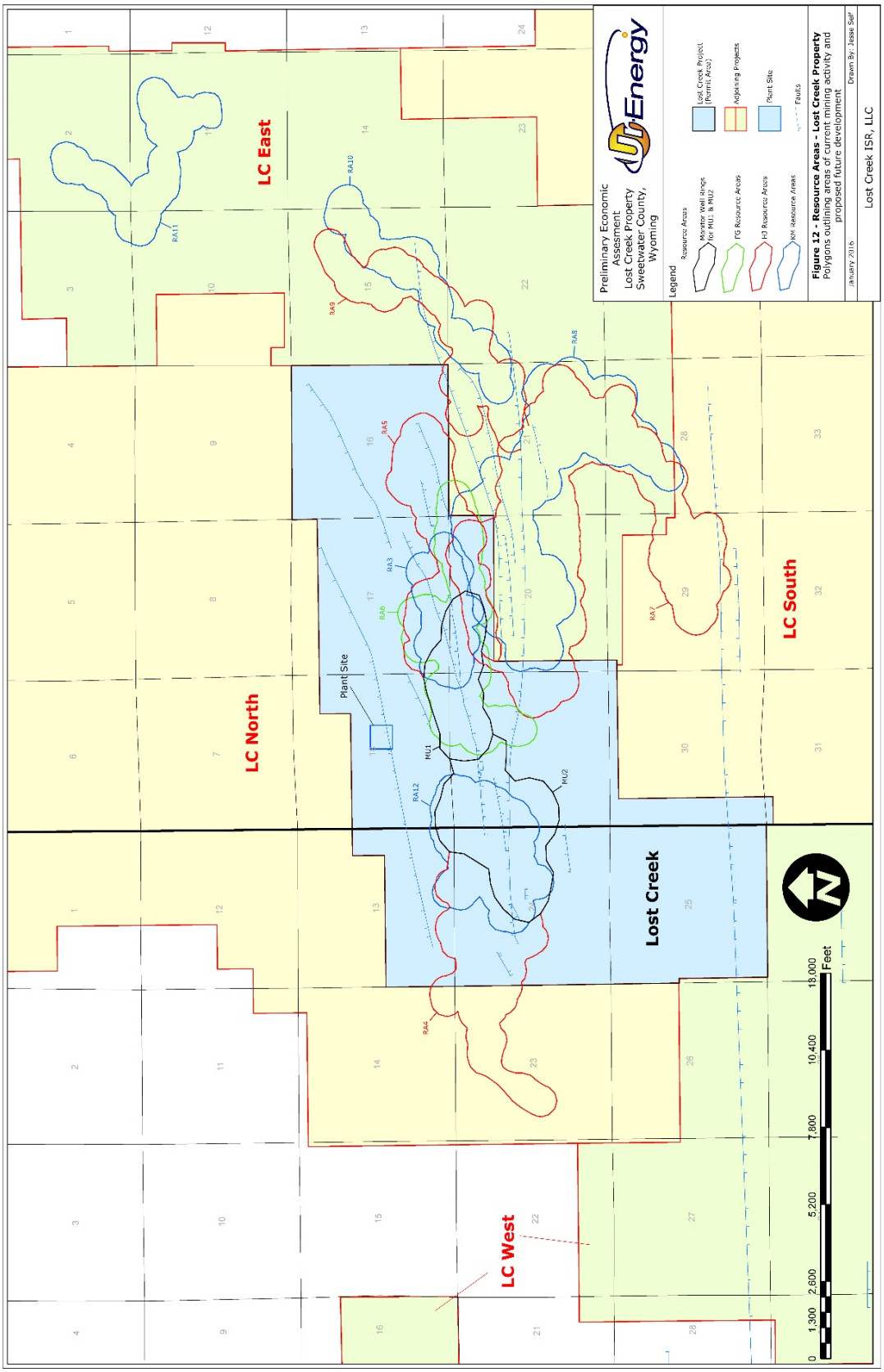


Table 10: Development Summary by Resource Area

Resource Area	Total Resource (lbs. x 1000)	Recoveries at 80% (lbs. x 1000)	Project	Horizon	Injection Wells	Production Wells	Header Houses	Monitor Wells	Area Under Pattern (acre)	Average Depth (ft.)
1 (MU1)	3,377	2,702	Lost Cr	HJ	1266	598	24	102	98.4	450
2 (MU2)	2,787	2,230	Lost Cr	HJ	744	372	14	119	117.5	500
3	1,107	886	Lost Cr	KM	296	148	6	57	38.6	560
4	570	456	Lost Cr	HJ	152	76	3	69	35	580
5	1,091	873	Lost Cr	HJ	290	145	6	80	49.6	430
6	1,852	1,481	Lost Cr	FG	494	247	9	125	94.6	310
7	2,883	2,307	LC East	HJ	768	384	14	195	140.2	380
8	936	748	LC East	KM	250	125	5	117	61.7	480
9	618	494	LC East	HJ	164	82	3	120	83.2	380
10	485	388	LC East	KM	130	65	3	88	55.4	450
11	435	348	LC East	KM	116	58	3	77	43.3	350
12	1,054	843	Lost Cr	KM	282	141	6	78	58.6	620
Total	**17,195**	**13,756**			**4,952**	**2,441**	**96**	**1,227**	**876.1**	

1. Sum of pounds may not add to the reported total due to rounding.
2. For economic analyses in this PEA, total resources include Measured, Indicated & Inferred Resources

In MU1 the first series of header houses was constructed simultaneously with the processing plant and the site infrastructure. The other header houses have been or will be brought on line sequentially until the proposed production rate or nominal plant throughput (approximately 5,500 to 6,000 gpm) is attained. Through September 30, 2015, the proposed production rate has allowed for lower than nominal plant flowrates. The remainder of MU1 and additional mine units will be developed in such a way as to allow for production/plant capacity to be maintained. In other words, as the productivity or head grade from the initial header houses decreases below economic limits, replacement patterns from additional header houses will be placed into operation in order to maintain the desired flow rate and head grade at the plant.

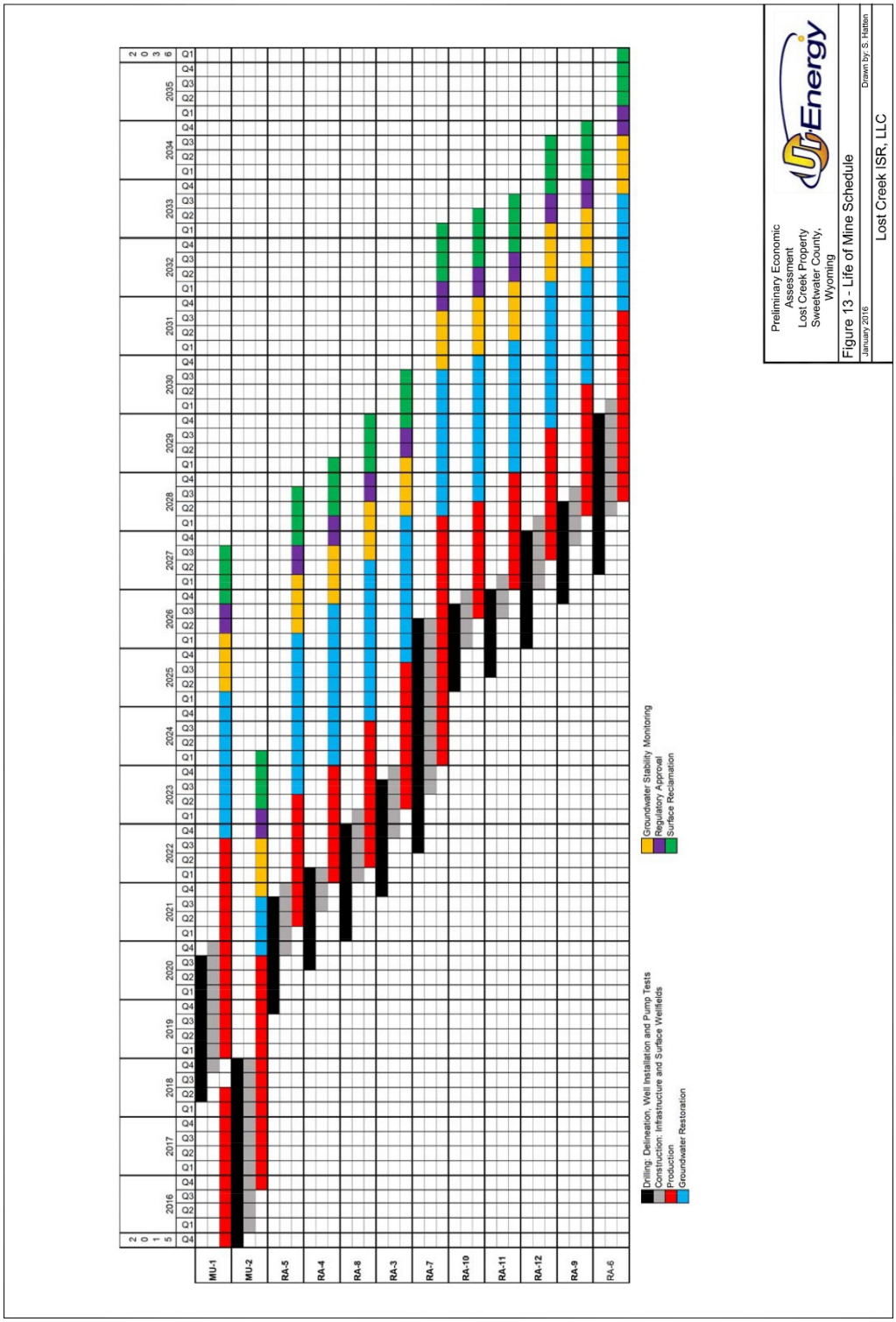
The schedules for drilling, construction, production and restoration activities for the current life of mine are detailed in Figure 13. The mine life sequence can be described as production followed by restoration, regulatory approval and reclamation. Development activities, which include drilling, and surface construction, are planned to continue until the first quarter of 2030. Final wellfield production will occur in third quarter of 2031. Restoration and reclamation activities are scheduled to start soon after production is completed in a mine unit or resource area. These are planned to occur from the third quarter 2018 through the first quarter 2036. Final decommissioning will occur simultaneous to the reclamation activities of the last mine unit.

16.3 Piping

Pipelines transport the wellfield solutions to and from the IX columns of the plant. The flow rates and pressures of the individual well lines are monitored in the header houses. Flow and pressure

of the field production systems are also monitored and controlled as appropriate at the header houses. High density polyethylene (HDPE), PVC, stainless steel, or equivalent piping is used in the wellfields and has been designed and selected to meet design operating conditions. The lines from the plant, header houses, and individual well lines are buried for freeze protection and to minimize pipe movement.

Figure 13: Life of Mine Schedule



16.4 Header Houses

Header houses are used to distribute lixiviant injection fluid to injection wells and collect pregnant solution from production wells. Each header house is connected to two trunk lines, one for receiving barren lixiviant from the plant and one for conveying pregnant solutions to the plant. The header houses include manifolds, valves, flow meters, pressure gauges, instrumentation and oxygen for incorporation into the injection lixiviant, as required. Each header house may service up to 80 wells (injection and recovery) depending on pattern geometry.

16.5 Wellfield Reagents, Electricity, Propane

The evaluation presented in this report assumes, based on a nominal 6,000 gpm flowrate, annually, the use of the following reagents and electricity in the wellfield on an annual basis:

Oxygen	59	million standard cubic ft.
Carbon dioxide	931	tons
Corrosion inhibitor	16.5	barrels
Electricity	9.46	million kilowatt-hours (kWh)

17.0 RECOVERY METHODS

The plant, which has been in operation since August 2013, consists of four major solution circuits as described in Section 17.1:

1. Uranium recovery/extraction circuit (IX);
2. Elution circuit to remove the uranium from the IX resin;
3. Yellowcake precipitation circuit; and the
4. Dewatering, drying and packaging circuit.

Figure 14 presents a simplified typical process flow diagram. The system recycles and reuses most of the solutions inside each circuit. A low-volume bleed is permanently removed from the water-based leaching solution flow to create a “cone of depression” in the wellfield’s static water level, to ensure that the leaching solution in the target mineralized zone is contained within the designated recovery area by the inward movement of regional groundwater. This bleed solution is routed to deep disposal wells after minimizing volumes through treatment and recycling.

17.1 Plant Processing

The plant houses most of the process equipment in an approximate 160 ft. by 260 ft. metal building. However, hydrochloric acid, propane and soda ash are stored in tanks and silos outside of the process building. The water treatment system (reverse osmosis) used for treating the bleed and for aquifer restoration is also located in the plant. An analytical laboratory and the office are located in the same building as the plant. A shop building is located immediately north of the plant. In addition to office space for professional staff and the on-site laboratory, the building includes the computer server room, lunchroom, and restroom/change room facilities. The shop building contains the warehouse, maintenance shop, the construction shop and the drilling shop with all the required tools/equipment and various supplies for performing maintenance and construction of wellfield systems.

Production fluid containing dissolved uranyl carbonate from the wellfields is pumped to the plant for beneficiation as described below:

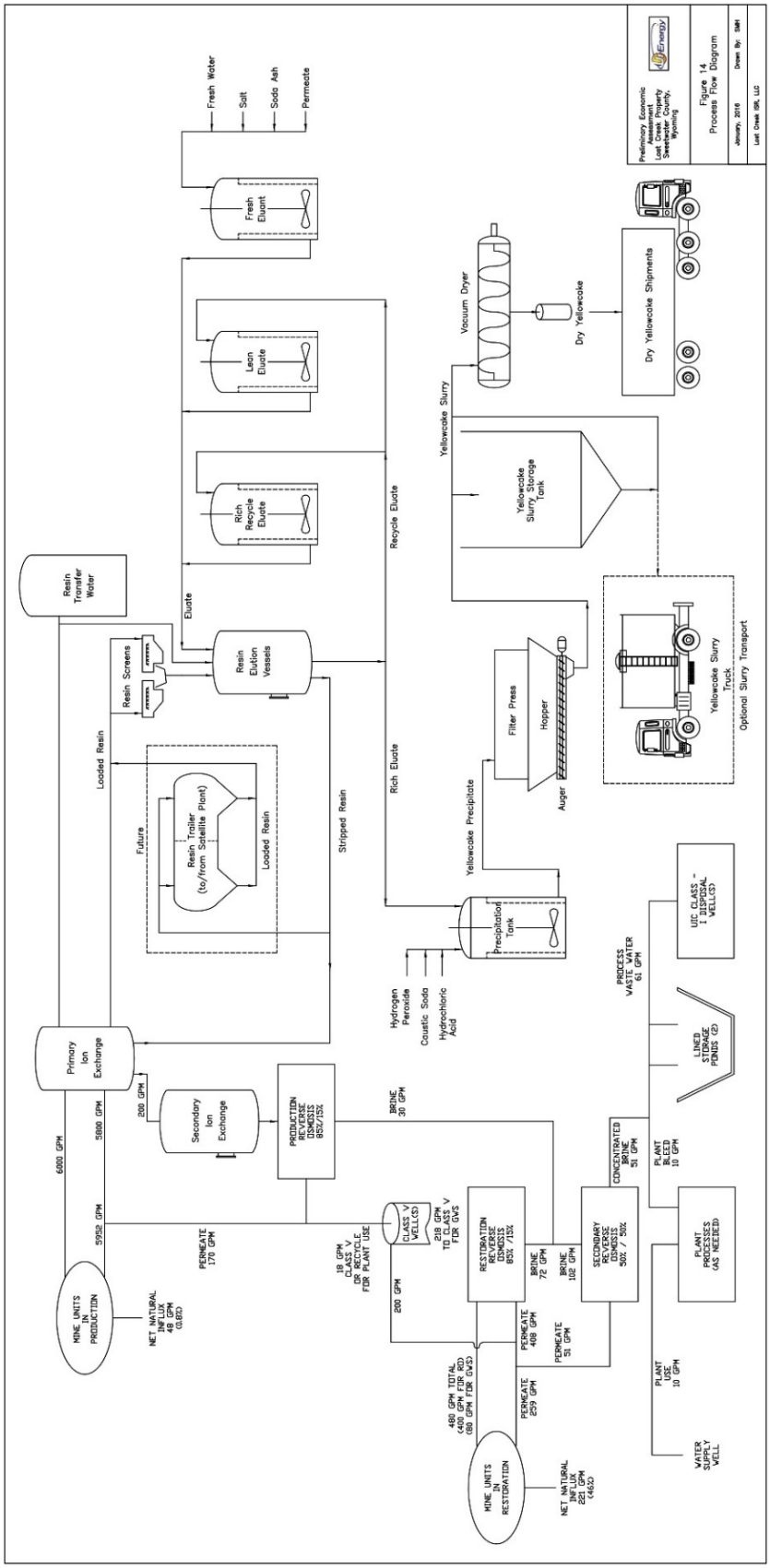
IX Circuit -- Uranium liberated from the underground deposits is extracted from the pregnant solution in the IX circuit onto resin. Subsequently, the barren lixiviant is reconstituted to the proper bicarbonate strength, as needed via the addition of sodium bicarbonate or carbon dioxide which generates bicarbonate in the mine horizon, and pH is corrected using carbon dioxide prior to being pumped back to the wellfield for reinjection. A low-volume bleed is permanently removed from the lixiviant flow. The bleed is either disposed of directly or treated by reverse osmosis and the clean permeate is reused in the process, as needed. Brine and excess bleed are disposed of by means of injection into Underground Injection Control (UIC) Class I deep disposal wells (DDWs).

Elution Circuit -- When it is fully loaded with uranyl carbonate, the IX resin is subjected to elution. The elution process reverses the loading reactions for the IX resin and strips the uranium from the resin. The resulting rich eluate is an aqueous solution containing uranyl carbonate, salt and sodium carbonate and/or sodium bicarbonate.

Yellowcake Precipitation Circuit -- Yellowcake is produced from the rich eluate. The eluate from the elution circuit is de-carbonated in tanks by lowering the pH to approximately two

standard units with hydrochloric acid. The uranium is then precipitated with hydrogen peroxide using sodium hydroxide for pH control.

Figure 14: Process Flow Diagram



Yellowcake Dewatering, Drying and Packaging Circuit -- The precipitated yellowcake slurry is transferred to a filter press where excess liquid is removed. Following a fresh water wash step that flushes any remaining dissolved chlorides, the resulting product cake is transferred to a yellowcake dryer, which will further reduce the moisture content, yielding the final dried free-flowing product. Refined yellowcake is packaged in 55-gallon steel drums.

For the purposes of the economic analyses, it was assumed that all drummed yellowcake will be shipped via truck approximately 1,200 miles to the conversion facility in Metropolis, Illinois. This conversion facility is the first manufacturing step in converting the yellowcake into reactor fuel.

17.2 Energy, Water and Process Materials

Estimates used in the evaluation presented in this PEA assume the annual consumption of approximately 69,000 gallons of propane and 9.5 million kWh of electricity to heat and light the plant and operate the process equipment.

The consumptive use of groundwater at the Property is related to plant processes, maintenance of a hydrologic cone of depression (bleed) in the operating wellfields and waste water associated with restoration groundwater sweep and reverse osmosis. The use of primary and secondary reverse osmosis along with radium treatment allows for a portion of the water to be recycled for operational purposes as well as being disposed in UIC Class V wells adjacent to the plant. The Class V permit for this activity is in draft form as of the preparation of this report. At full operating capacity, the processing plant utilizes approximately 10 gpm of water. In addition, the hydrologic bleed requirements for the wellfields are 0.5% to 1.5% of the production flowrate. The total expected waste water output is planned from 40 gpm to 65 gpm at peak production in conjunction with all restoration activities. Chemicals that are anticipated to be used in the plant processes and the assumed annual consumption rates include:

Hydrochloric acid	2.45	million lbs./year
Caustic soda	1.02	million lbs./year
Peroxide	0.35	million lbs./year
Salt	1.56	million lbs./year
Soda ash or bicarbonate	1.97	million lbs./year
Resin (make-up/replacement)	100	cubic ft./year

* assumes soda ash will be used to supplement bicarbonate levels in lixiviant.

The above annual chemical usage is based on an average daily flow rate of 6,000 gpm and a production rate of one million pounds U_3O_8 per year.

The different types of chemicals are stored, used and managed to ensure worker and environmental safety in accordance with standards developed by regulatory agencies and vendors. The hydrochloric acid and hydrogen peroxide, salt and sodium hydroxide storage areas include secondary containment. Sodium hydroxide and the various acid and caustic chemicals are of potential concern and are stored and handled with care. To prevent unintentional releases of hazardous chemicals and limit potential impacts to workers, the public and the environment, URE is implementing and maintaining internal operating procedures consistent with federal, state and local requirements.

17.3 Liquid Disposal

Typical ISR mining operations require one or more disposal wells for limited quantities of fluids that cannot be returned to the production aquifers. Five UIC Class I DDWs are permitted at Lost Creek of which three have been installed and are operating intermittently. The existing CAPEX and OPEX estimates for this PEA assume that the three wells currently installed will be supplemented by two additional wells once restoration begins in earnest. The maximum volume of liquid wastes sent to the deep wells will be from 45 gpm to 65 gpm depending on the required bleed level.

In addition to these DDWs, the Company has submitted applications to WDEQ and the NRC for UIC Class V wells which will allow for the onsite disposal of fresh permeate (*i.e.,* clean water). Site operators will use the reverse osmosis circuits, which were installed during initial construction of the plant, to treat process waste water into brine and permeate streams. The brine stream will continue to be disposed of in the UIC Class I deep wells while the clean, permeate stream will be injected into the UIC Class V wells. It is expected that these operational procedures will significantly enhance waste water disposal capacity at the site.

17.4 Solid Waste Disposal

Solid wastes consist of spent resin, empty packaging, miscellaneous pipes and fittings, tank sediments, used personal protective equipment and domestic trash. These materials are classified as contaminated or non-contaminated based on their radiological characteristics.

Non-contaminated solid waste is waste which is not contaminated with radioactive material or which can be decontaminated and re-classified as non-contaminated waste. This type of waste may include trash, piping, valves, instrumentation, equipment and any other items which are not contaminated or which may be successfully decontaminated. Current estimates are that the site will produce approximately 700 cubic yards of non-contaminated solid waste per year. Non-contaminated solid waste is collected in designated areas at the Project site and disposed of in the nearest permitted sanitary landfill.

Contaminated solid waste consists of solid waste contaminated with radioactive material that cannot be decontaminated. This waste will be classified as 11e.(2) by-product material as defined by NRC regulations. This by-product material consists of filters, personal protective equipment, spent resin, piping, etc. These materials are temporarily stored on-site and periodically transported for disposal. Another subsidiary of URE owns a licensed disposal facility for 11e.(2) by-product material waste. It is estimated that the Lost Creek site will produce approximately 90 cubic yards of 11e.(2) by-product material as waste per year. This estimate is based on the waste generation rates of similar in situ uranium recovery facilities.

The solid waste disposal estimate is based on the original resource estimate for the Property excluding the increase in MU1 resources. The recent increase may eventually affect the total anticipated production and thus the anticipated volume of solid waste disposal required. The economics for solid waste disposal in this study have not been modified based on those resource changes.

18.0 PROJECT INFRASTRUCTURE

The infrastructure for the Lost Creek wellfield and plant are described in Sections 16.0 and 17.0 above. All necessary components for the plant and the first wellfield have been constructed and are in use.

18.1 Roads

There are four types of roads being used for access to the Project. They include primary access roads, secondary access roads, temporary wellfield access roads, and well access roads. Access to the Project is from the west via Wamsutter-Crooks Gap Road or from the east via BLM Sooner Road (Figure 2).

Primary access roads are used for routine access to the main processing facility at the Project. URE has constructed approximately 50,000 ft. of new road to serve as Project access.

The main access roads average 20 ft. wide and are surfaced with gravel. Snow removal and periodic surface maintenance are performed as needed. The secondary access roads are used at the Project to provide access to the wellfield header houses. The secondary access roads are constructed with limited cut and fill construction and may be surfaced with small sized aggregate or other appropriate material.

The temporary wellfield access roads are for access to drilling sites, wellfield development, or ancillary areas assisting in wellfield development. When possible, URE will use existing two-track trails or designate two-track trails where the land surface is not typically modified to accommodate the road. The temporary wellfield access roads will be used throughout the mining areas and will be reclaimed at the end of mining.

18.2 Laboratory Equipment

Laboratory equipment consists of inductively coupled plasma (ICP) emission spectrometers for analyses of uranium and metals, an auto-titrator for alkalinity and chloride measurements, specific conductance meter and other equipment, materials and supplies required to efficiently operate the mine and plant. In addition, the laboratory has fume hoods, reagent storage cabinets and other safety equipment. All this equipment was purchased prior to the operation of the laboratory in 2013 and continues in use today.

18.3 Electricity

A pre-existing 34,500 volt power line owned by Pacific Power Corp. extends north-south along the western edge of the Lost Creek Project. The line was originally installed to serve the Sweetwater Mill which is south of the Property. Pacific Power Corp. performed a power study and determined that the line has capacity to serve the Lost Creek Property without any upgrades. A new overhead raptor resistant power line, approximately two miles in length, was constructed to bring power from the existing Pacific Power line to the Lost Creek plant. Line drops have been made to the existing header houses, plant, and other buildings where the power is transformed to three phase 480 volts. Power lines from header houses to production wells are placed underground using direct burial wire.

18.4 Holding Ponds

Two holding ponds have been installed for the facility and are currently in use. The holding ponds, which are located immediately east of the plant, are used to contain process wastewater as needed in relation to wastewater disposal capacity. The earthen banked ponds each are approximately 155 by 260 ft. as measured from crest to crest. The ponds have a double lined containment system with leak detection between the liners. Rigorous procedures have been established to ensure proper inspection, operation, and maintenance of the holding ponds.

19.0 MARKET STUDIES AND CONTRACTS

This PEA serves to replace the most recent Technical Report for the Lost Creek Property dated June 17, 2015, including updating the economic analyses, and covers activities conducted through October 15, 2015, as described.

Unlike other commodities, uranium does not trade on an open market. Contracts are negotiated privately by buyers and sellers. The economic analysis assumes a variable price per pound for U_3O_8 over the life of the project ranging from $28.49 to $71.67 per pound. This price was based on a combination of forecasts from Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual contractual commitments URE has in place. Mr. Graves believes these estimates are appropriate for use in the evaluation, and the results support the assumptions herein. See additional discussion in Section 25.1.

The marketability of uranium and acceptance of uranium mining is subject to numerous factors beyond the control of URE. The price of uranium may experience volatile and significant price movements over short periods of time. Factors known to affect the market and the price of uranium include demand for nuclear power; political and economic conditions in uranium mining, producing and consuming countries; costs; interest rates, inflation and currency exchange fluctuations; governmental regulations; availability of financing of nuclear plants, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; production levels and costs of production in certain geographical areas such as Russia, Africa and Australia; and changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities.

URE currently has ten remaining uranium supply arrangements at defined pricing within industry norms. The agreements relate to a portion of anticipated production during the defined term and, together with their defined pricing, are considered within the sensitivities in this report (Section 22.4). The income from the contracted portion of production, along with the other estimated production at the anticipated sales price, is included in the cash flow estimate.

Operational purchasing agreements exist with the primary chemical suppliers. The chemicals for which these contracts exist are in discussed Sections 16.5 and 17.2. The terms of these agreements vary between one and five years in length. Finally, contracts or agreements are in place with RSB Logistics Inc. for transporting yellowcake from the Lost Creek Property; ConverDyn for processing of yellowcake concentrates; and Pathfinder Mines (a wholly owned subsidiary of Ur-Energy USA Inc.) for disposal of 11e.(2) byproduct material waste.

20.0 ENVIRONMENTAL STUDIES, PERMITTING, SOCIAL OR COMMUNITY IMPACT

Extensive environmental studies have been performed in support of the Lost Creek Permit to Mine Application submitted to the WDEQ, the License Application submitted to the NRC, and the BLM Plan of Operations (ref., Ur-Energy Inc., 2007a and Ur-Energy Inc., 2007b). Additional, similar environmental studies were completed with respect to the applications to amend those permits, licenses and authorizations for the recovery of uranium from the LC East Project and the KM Horizon at the Lost Creek Project (ref., Lost Creek 2014a and Lost Creek 2014b). These studies include: geology, surface hydrology, sub-surface hydrology, geochemistry, wetlands, air quality, vegetation, wildlife, archeology, meteorology, background radiometrics, and soils. Upon receipt of the applications for the Lost Creek Project, the WDEQ and NRC spent several years reviewing the environmental studies with internal and third party experts and ultimately concluded that the mining activity as proposed was protective of the environment. After their technical reviews, including numerous opportunities for public comment, and as indicated in Section 4.7, all necessary permits and licenses to operate the mine were issued.

The following permits will be required before beginning mining at LC East and within the KM Horizon at Lost Creek. These applications were submitted in September 2014:

- The BLM must review and approve an application for mining at the LC East Project and within the KM Horizon at the Lost Creek Project after a National Environmental Policy Act (NEPA) review. The NRC will participate in this review as a cooperating agency. The BLM determined to perform an Environmental Impact Statement for the project amendments.
- A Permit amendment requesting approval to mine at the LC East Project and within the KM Horizon at the Lost Creek Project was submitted to the WDEQ for review and approval. Approval will include an aquifer exemption.
- The air quality permit will be revised to account for additional surface disturbance.
- An application will be submitted to Sweetwater County to re-zone the land at LC East. A subsequent Development Plan will also have to be submitted for review and approval.
- Numerous well permits from the State Engineer's Office will be required.

20.1 Environmental Studies and Issues

The license and mine permit applications were developed to define and evaluate the potential for impacts to other environmental resources and were submitted to and approved by the NRC, WDEQ and BLM. Evaluation subjects included: existing and anticipated land use, transportation, geology, soils, seismic risk, water resources, climate/meteorology, vegetation, wetlands, wildlife, air quality, noise, and historic and cultural resources. Additionally, socioeconomic characteristics in the vicinity of the Project were evaluated. In these evaluations, no impacts from Project development were identified that could not be mitigated (ref., Ur-Energy Inc., 2007a, 2007b). The NRC and WDEQ issued final approvals for the Lost Creek Project in 2011. The BLM issued its Record of Decision for approval of the Environmental Impact Statement in October 2012.

Discussion of the results of site-specific environmental studies is given below.

Background Radiological Characteristics

Background radiological characteristics for the Lost Creek Project were evaluated in 2006 and 2007 to establish radiological baseline conditions and document the pre-operational radiological environment. The evaluations were performed for surface soils, subsurface soils, sediment and

flora. In addition, a baseline gamma survey was performed, and Radon-222 and direct gamma exposure rates were measured.

The results of the study are presented in detail in the Ur-Energy Inc., Lost Creek ISR Project, Wyoming DEQ Permit to Mine Application (ref., Ur-Energy Inc., 2007a) and the Ur-Energy Inc., Lost Creek, NRC Source Material License Application, 2007 (ref., Ur-Energy Inc., 2007b). In general, the baseline study indicates that most site radiological properties are in normal ranges. (Also, ref., Lost Creek 2014a, 2014b).

Threatened, Endangered, or Candidate Species

As defined by WDEQ-Land Quality Division Guideline No. 2, a literature review was conducted to identify species of special concern, prohibited and restricted noxious weeds, and selenium indicators that could be present within the Lost Creek Project permit area. The review identified several species that occur within the general region.

Threatened and endangered species of the greater region include the blowout penstemon (Penstemon haydenii) and the desert yellowhead (Yermo xanthocephalus). Blowout penstemon is the only endangered plant species in Wyoming. While the species is known to occur on a site approximately 32 miles east-northeast of the Lost Creek Project, it has not been observed in the area of the properties and is unlikely to occur in the area. Blowout penstemon grows exclusively in sand blowout areas, a habitat type which is absent in the Lost Creek Property. Desert yellowhead is a threatened species in Wyoming, occurring in southern Fremont County in the Beaver Rim Area, approximately 45 miles northeast of Lost Creek. The only known population occurs in the Beaver Rim Area.

An additional 12 rare plant species are known to occur in Sweetwater County. During the vegetation surveys, special consideration was given to these species of special concern and micro-environments capable of supporting these species. However, no species of special concern were observed within the Lost Creek Project.

As discussed above, the USFWS issued a determination in 2015 that the greater sage grouse, which is indigenous to the area, does not warrant protection under the ESA. Management of the species will continue under the Wyoming Core Area Strategy, and other, federal, resource management plans.

Cultural and Historic Resources

Pursuant to applicable regulations, the cultural and historic resources are not publicly disclosed.

Visual and Scenic Resources

During construction and operations, visual resources will be impacted to some extent by vegetative disturbance, road building, drilling, piping, and facility construction. A maximum of approximately 165 acres of vegetation will be disturbed at any one time. This estimate includes all on-site roads, operating mine units, mud pits for resource and delineation and monitor wells, and pipelines. The total footprint of the plant is approximately ten acres, and the maximum height of any building is 45 feet. Mine unit development will occur sequentially, with reclamation in the first mine unit concurrent with construction and operations in later mine units. No more than four percent of the Lost Creek Project permit area should be disturbed at any time.

Most of these modifications will not be visible from the public road network, which is lightly traveled. The plant is located 4.5 miles from the nearest county road, and the rolling topography will hide the facilities from travelers, except from a limited number of vantage points. There are no locally important or high-quality views that are affected by the Project. Project facilities are discernable, but are not a dominant landscape feature to observers outside the Lost Creek permit area.

Impacts are temporary, since buildings and roads will be decommissioned and removed at the Project's end and vegetation will be restored to its previous condition. ISR operations cause no modifications to scenery or topography that will persist after restoration and reclamation.

20.2 Byproduct Disposal

11e.(2) or non-11e.(2) byproduct disposal methods are discussed in detail in Section 17.0 (Recovery Methods). Deep disposal wells, landfills, and licensed 11e.(2) facilities will be used depending on the level of contamination for the given waste product.

20.3 Permitting Requirements, Permit Status, Financial Assurance

Permitting requirements, status and financial assurance are discussed in Section 4.6 and 4.7. In summary, all necessary permits and licenses to operate the mine have been issued. Additionally, as discussed elsewhere, applications for amendment of the license and permits were submitted in September 2014 (ref., Lost Creek 2014a, 2014b).

Financial surety is required by the state of Wyoming and the NRC. The Project is currently secured for the entire estimated amount of closure costs for in-place equipment and will be secured for the entire estimated amount of total closure costs over the life of the Project. This includes groundwater restoration, facility decommissioning and reclamation. Surety details are discussed in Section 4.6.

20.4 Community Affairs

The project is proximate to the communities of Bairoil, Jeffrey City, Wamsutter, Riverton, Lander and Rawlins, Wyoming. Lost Creek personnel have been hired from these communities as well as from Casper, Wyoming. Employment has had a positive impact to these communities not only through direct payroll, but through primary and secondary purchases of goods and services.

URE maintains routine contacts with landowners, the BLM, and the general public through direct calls and attending various local meetings. The operational managers and Radiation Safety Officer are onsite at the facility, and are included in the administrative support labor costs in operating costs.

The NRC, WDEQ and BLM evaluated socioeconomic characteristics in the vicinity of the Project. No impacts from Project development were identified that could not be mitigated (ref., Ur-Energy, 2007a, 2007b; Lost Creek, 2014a, 2014b). The NRC and WDEQ issued final approvals for the Lost Creek Project in 2011. The BLM issued its Record of Decision for approval of the Environmental Impact Statement in October 2012.

20.5 Project Closure

Project closure entails multiple activities including the groundwater and surface reclamation which will commence while recovery operations are continuing. The timeline for these closure-related activities is included in Figure 13 (Life of Mine Schedule) and the costs are included in the discussion of Annual Operating Costs (OPEX), see Section 21.2.

Well Abandonment / Groundwater Restoration

Groundwater restoration will begin as soon as practicable after uranium recovery in each wellfield is completed (as determined by project economics). If a depleted wellfield is near an area that is being recovered, a portion of the depleted area's restoration may be delayed to limit interference with the ongoing recovery operations.

Restoration completion assumes up to six pore volumes of groundwater will be extracted and treated by reverse osmosis. Following completion of successful restoration activities, the injection and recovery wells will be plugged and abandoned in accordance with WDEQ regulations. Monitor wells will also be abandoned following verification of successful groundwater restoration.

Demolition and Removal of Infrastructure

Simultaneous with well abandonment operations, the trunk and feeder pipelines will be removed, tested for radiological contamination, segregated as either solid 11e.(2) or non-11e.(2) byproduct material, then chipped and transported to appropriate disposal facilities. The header houses will be disconnected from their foundations, decontaminated, segregated as either solid 11e.(2) or non-11e.(2), and transported to appropriate disposal facilities or recycled. The processing equipment and ancillary structures will be demolished, tested for radiological properties, segregated and either scrapped or disposed of in appropriate disposal facilities based on their radiological properties.

Site Grading and Revegetation

Following the removal of wellfield and plant infrastructure, site roads will likely be removed and the site will be re-graded to approximate pre-development contours and the stockpiled topsoil placed over disturbed areas. The disturbed areas will then be seeded.

21.0 CAPITAL AND OPERATING COSTS

Capital Costs (CAPEX) and Operating Costs (OPEX) are based on actual and estimated costs for the Lost Creek Project as of September 30, 2015. The included analysis is based on the Measured and Indicated plus Inferred mineral resources in the Lost Creek and LC East Projects, as of October 15, 2015. The majority of the CAPEX costs, including the installation of the processing plant, disposal wells and a portion of the drilling and installation of MU1, were incurred prior to the commencement of operations in 2013. OPEX costs include the remaining drilling and installation of the mine units as well as all operating costs such as chemicals, labor, utilities and maintenance. OPEX costs are most sensitive to wellfield costs – which may increase if well spacing needs to be reduced or additional injection/recovery wells are required.

21.1 Capital Cost Estimation (CAPEX)

The majority of the CAPEX occurred prior to the start of operations in 2013, and is herein referred to as “initial capital” (initial capital costs of plant and wellfields total $46.5 million including initial wellfield costs of $12.3 million). Subsequent mine unit drilling and development costs are considered in the OPEX category after the start of production. The only remaining items in the CAPEX category for the remainder of the mine life are in the sustaining capital category.

Remaining CAPEX costs are for sustaining capital requirements at the mine-site and are primarily associated with the replacement of equipment that will be used in the future operations of the plant and the wellfield. The sustaining capital cost is estimated to be $3.6 million. (Table 12, Section 22.4) In addition, although not considered sustaining capital, costs are included in this analysis for the installation of two additional deep disposal wells at an estimated cost of $6.2 million. The sustaining capital and future disposal well cost estimates are based on the actual previous purchases of the same equipment and/or vendor prices, thus the estimates contain contingencies of 10% and are considered to have a predicted level of accuracy of +/- 10%.

21.2 Operating Cost Estimation (OPEX)

The OPEX costs have been developed by evaluating each process unit operation and the associated required services (power, water, air, waste disposal), infrastructure (offices, change rooms shop), salary and burden, and environmental control (heat, air conditioning, monitoring). In addition, OPEX costs also include the remaining construction of the mine unit surface facilities and wells to mine the MMT and EMT. The Annual OPEX and the Closure Cost Summary for the Project are provided in Table 11 (Section 22.4). Additional annualized OPEX detail is provided in Table 11a. Total OPEX costs, including selling, production and operating costs, have been estimated at $202.9 million, or approximately $14.58 per pound. The predicted level of accuracy of the OPEX and Closure estimates is approximately +/- 20%. The prices for the major items identified in this report have been sourced in the United States, and are based upon operational experience and data. Major cost categories considered when developing OPEX costs include wellfield, plant and site administration costs as detailed in Tables 11and 11a.

The OPEX estimate above is based on the current resource estimate for the MMT and EMT on the Property which takes into account the produced pounds as well as the increase in MU1 resources.

Table 11: Annual Operating Costs (OPEX) Summary

Operating Costs Summary	Units	Total	US$ per Pound
Salaries and Wages (Plant)	US$ 000s	$ 38,996	$ 2.80
Salaries and Wages (Wellfield)	US$ 000s	$ 40,796	$ 2.93
Wellfield costs (excludes closure related)	US$ 000s	$ 27,118	$ 1.95
Processing Plant Costs (excludes closure related)	US$ 000s	$ 42,599	$ 3.06
Product Shipping Costs & Conversion Facility Fees	US$ 000s	$ 4,731	$ 0.34
BLM & State Land Holding & Surface Impact Costs	US$ 000s	$ 1,504	$ 0.11
NRC Fees	US$ 000s	$ 2,634	$ 0.19
Insurance & Bonding	US$ 000s	$ 6,778	$ 0.49
Subtotal	US$ 000s	$ 165,158	$ 11.87
Closure costs (less wages)	US$ 000s	$ 27,150	$ 1.95
Home Office Support and Allocated Overhead	US$ 000s	$ 10,625	$ 0.76
Subtotal		$ 37,775	$ 2.71
Total	**US$ 000s**	**$ 202,933**	**$ 14.58**

1. Wellfield operating costs include power, maintenance, chemicals and other wellfield operating costs.
2. Closure costs assume no salvage value for materials and equipment.
3. BLM land holding cost assumes an annual assessment of $150 on each claim (525 total). State fees include $1,280 annual lease plus surface impact of $2/acre.
4. NRC annual fees include estimated costs of $8,320 for Annual Inspections, $12,500 for Quarterly Project Management, $36,000 for License fees, $31,000 for each Mine Unit review and $300,000 for the KM/LCE Amendment.
5. Shipping costs are based on 38,000 lbs. yellowcake shipments to the conversion facility in Metropolis, Illinois.
6. Bonding requires a 2.5% premium to be paid and approximately 30% collateral to be posted. The posted collateral is returned as closure work is completed and the bonding requirement is reduced.
7. Closure costs are based on WDEQ approved unit costs from October 2015 and detailed engineering work.

Wellfield Development Costs

As discussed in Section 16.0, the first series of MU1 header houses was constructed simultaneously with the processing plant and the site infrastructure in 2012 and 2013. Since that time, additional header houses in MU1 have been brought into production. As of October 15, 2015, 11 of the 13 originally-designed MU1 header houses are in production. The other header houses will be brought on line sequentially until the modeled production rate or nominal plant throughput (approximately 5,500 to 6,000 gpm) is attained. Through September 30, 2015, the production rate has governed, allowing for lower than nominal plant flowrates. The remainder of MU1 and additional areas will be developed in such a way as to allow for production/plant capacity to be maintained. In other words, as the productivity or head grade from the initial header houses decreases below economic limits, replacement patterns from additional header houses will be placed into operation in order to maintain the desired flow rate and head grade at the plant.

The wellfield development costs include both wellfield drilling and wellfield construction activities and were estimated based on current and preliminary future wellfield designs including the number, location, depth and construction material specifications for wells and header houses and the hydraulic conveyance (piping) system associated with the wellfields. Additionally, trunk and feeder pipelines, electrical service, roads and wellfield fencing are included in the cost estimates.

The wellfield development estimate is based on actual costs from vendors, contractors, labor wages and equipment rates used to drill and construct the initial portion of MU1, and includes a 10% contingency. The estimated wellfield development cost for the remainder of the Project is $135.3 million or $9.72 per pound and is identified in Table 12.

Table 11a: Annual Operating Costs (OPEX) Details

Operating Costs Summary	Units	Total	US$ per Pound	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Salaries and Wages (Plant)	US$ 000s	$ 38,996	$ 2.80	$ 533	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 2,130	$ 1,921	$ 1,834	$ 1,625	$ 1,347	$ 988	$ 855	$ 70
Salaries and Wages (Wellfield)	US$ 000s	$ 40,796	$ 2.93	$ 640	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 2,558	$ 1,436	$ 863	$ 750	$ 600	$ 276	$ 384	$ 33
Wellfield costs (excludes closure related)	US$ 000s	$ 27,118	$ 1.95	$ 375	$ 1,595	$ 1,951	$ 1,241	$ 993	$ 1,464	$ 1,272	$ 1,476	$ 1,429	$ 1,487	$ 1,508	$ 1,518	$ 1,468	$ 1,460	$ 1,497	$ 1,483	$ 1,482	$ 1,478	$ 1,346	$ 594	$ -	$ -
Processing Plant Costs (excludes closure related)	US$ 000s	$ 42,599	$ 3.06	$ 664	$ 2,434	$ 2,546	$ 2,567	$ 2,735	$ 2,891	$ 2,760	$ 2,886	$ 2,953	$ 2,596	$ 2,953	$ 2,816	$ 2,745	$ 2,961	$ 2,735	$ 2,050	$ 609	$ 242	$ 209	$ 123	$ 115	$ 10
Product Shipping Costs & Conversion Facility Fees	US$ 000s	$ 4,731	$ 0.34	$ 53	$ 247	$ 298	$ 261	$ 326	$ 322	$ 316	$ 337	$ 340	$ 292	$ 356	$ 311	$ 326	$ 350	$ 305	$ 252	$ 40	$ -	$ -	$ -	$ -	$ -
BLM & State Land Holding & Surface Impact Costs	US$ 000s	$ 1,504	$ 0.11	$ -	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72	$ 72
NRC Fees	US$ 000s	$ 2,634	$ 0.19	$ 13	$ 125	$ 394	$ 94	$ 94	$ 94	$ 125	$ 156	$ 125	$ 125	$ 94	$ 125	$ 156	$ 156	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94
Insurance & Bonding	US$ 000s	$ 6,778	$ 0.49	$ 18	$ 1,048	$ 1,850	$ 1,465	$ 1,978	$ 105	$ (78)	$ 856	$ 1,559	$ 646	$ (390)	$ 414	$ 1,241	$ (12)	$ 219	$ (1,202)	$ 21	$ (238)	$ (538)	$ (1,972)	$ (212)	$ -
Subtotal	US$ 000s	$ 165,158	$ 11.87	$ 2,296	$ 10,209	$ 11,799	$ 10,388	$ 10,886	$ 9,636	$ 9,155	$ 10,471	$ 11,166	$ 9,906	$ 9,281	$ 9,944	$ 10,696	$ 9,675	$ 9,610	$ 6,106	$ 5,015	$ 4,023	$ 3,130	$ 175	$ 1,308	$ 279
Closure costs (less wages)	US$ 000s	$ 27,150	$ 1.95	$ -	$ -	$ -	$ 144	$ 258	$ 530	$ 636	$ 523	$ 1,369	$ 681	$ 692	$ 990	$ 2,016	$ 1,122	$ 937	$ 957	$ 539	$ 1,671	$ 796	$ 508	$ 11,716	$ 1,065
Home Office Support and Allocated Overhead	US$ 000s	$ 10,625	$ 0.76	$ 125	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Subtotal		$ 37,775	$ 2.71	$ 125	$ 500	$ 500	$ 644	$ 758	$ 1,030	$ 1,136	$ 1,023	$ 1,869	$ 1,181	$ 1,192	$ 1,490	$ 2,516	$ 1,622	$ 1,437	$ 1,457	$ 1,039	$ 2,171	$ 1,296	$ 1,008	$ 12,216	$ 1,565
Total	**US$ 000s**	**$ 202,933**	**$ 14.58**	**$ 2,421**	**$ 10,709**	**$ 12,299**	**$ 11,032**	**$ 11,644**	**$ 10,666**	**$ 10,291**	**$ 11,494**	**$ 13,035**	**$ 11,087**	**$ 10,473**	**$ 11,434**	**$ 13,212**	**$ 11,297**	**$ 11,047**	**$ 7,563**	**$ 6,054**	**$ 6,194**	**$ 4,426**	**$ 1,183**	**$ 13,524**	**$ 1,844**

1. Wellfield operating costs include power, maintenance, chemicals and other wellfield operating costs.
2. Closure costs assume no salvage value for materials and equipment.
3. BLM land holding cost assumes an annual assessment of $150 on each claim (525 total). State fees include $1,280 annual lease plus surface impact of $2/acre.
4. NRC annual fees include estimated costs of $8,320 for Annual Inspections, $12,500 for Quarterly Project Management, $36,000 for License fees, $31,000 for each Mine Unit review and $300,000 for the KM/LCE Amendment.
5. Shipping costs are based on 38,000 lbs. yellowcake shipments to the conversion facility in Metropolis, Illinois.
6. Bonding requires a 2.5% premium to be paid and approximately 30% collateral to be posted. The posted collateral is returned as closure work is completed and the bonding requirement is reduced.
7. Closure costs are based on WDEQ approved unit costs from October 2015 and detailed engineering work.

22.0 ECONOMIC ANALYSIS

Cautionary statement: This Amended Preliminary Economic Assessment is preliminary in nature, and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is increased risk and uncertainty to commencing and conducting production without established mineral reserves that may result in economic and technical failure which may adversely impact future profitability. The estimated mineral recovery used in this Amended Preliminary Economic Assessment is based on recovery data from wellfield operations to date, as well as Ur-Energy personnel and industry experience at similar facilities. There can be no assurance that recovery at this level will be achieved.

This PEA serves to evaluate the economic impact of additional identified resources and replaces the most recent economic analysis for the Lost Creek Property from December 2013, which remained unchanged in the June 17, 2015 Technical Report on the Property. Since the 2013 analyses, two updated mineral resource estimates have been prepared for the Lost Creek Property, based on drilling results within Lost Creek's MU1 and MU2, the 2015 exploration program and the re-estimation of all previously-identified resources for the Property at a revised 0.20 grade-thickness (GT) cut-off.

The economic analyses conducted in 2013 were based upon an 80% recovery of the total resources (Measured, Indicated and Inferred) from the twelve Resource Areas. These 12 designated Resource Areas (RAs) (Figure 12) represent the accumulation of resources within a given horizon in a given area. Economic analyses are performed solely on these designated areas, due to the vertical and lateral continuity of the resources. To date, RAs 1 and 2 have been converted to Mine Units 1 and 2, respectively. At the current time, approximately 87% of the total Lost Creek Property resources, as presented in Tables 1 and 9, are contained within Resource Areas. Through October 15, 2015, URE has increased mineral resources within the Resource Areas as follows:

- Measured resources have increased by a netted 67% (3.191 million pounds), from 4.728 million to 7.919 million pounds eU_3O_8 (after adjustment for MU1 production).
- Indicated resources have increased by 39% (1.365 million pounds) from 3.516 million to 4.881 million pounds eU_3O_8.
- Inferred resources increased by 30% (1.015 million pounds) from 3.381 million pounds to 4.396 million pounds eU_3O_8.

Finally, the economic analyses here are conducted based upon actual capital costs incurred in the 2012-2013 construction of Lost Creek facilities, two years of operational data and production costs, and an update of other economic and market conditions.

22.1 Assumptions

The economic assessment presented in this PEA is based on an 80% recovery of the following total resources defined within the twelve Resource Areas (Table 10):

Measured:	7.919 million lbs. at an avg. grade of 0.048% in 8.264 million tons
Indicated:	4.881 million lbs. at an avg. grade of 0.044% in 5.503 million tons
Inferred:	4.396 million lbs. at an avg. grade of 0.048% in 4.944 million tons

A cash flow statement has been developed based on the CAPEX, OPEX and closure cost estimates and the production schedule. The sale price for the produced uranium is assumed at a variable price per pound for the life of the project ranging from $28.49 to $71.67 per pound. This price is based on a combination of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual contractual commitments URE has in place. Sensitivities to uranium price are shown in Figure 15.

Uranium recovery from the mineral resource is assumed based on an estimated wellfield recovery factor of 80%. The production flow rate, grade and ultimate recovery are based on experience to date at the Project as well as designed plant capacities for flow and production. The sales for the cash flow utilize the production models for each of the mine units and resource areas. The total uranium production over the life of the Project is estimated to be 13.8 million pounds.

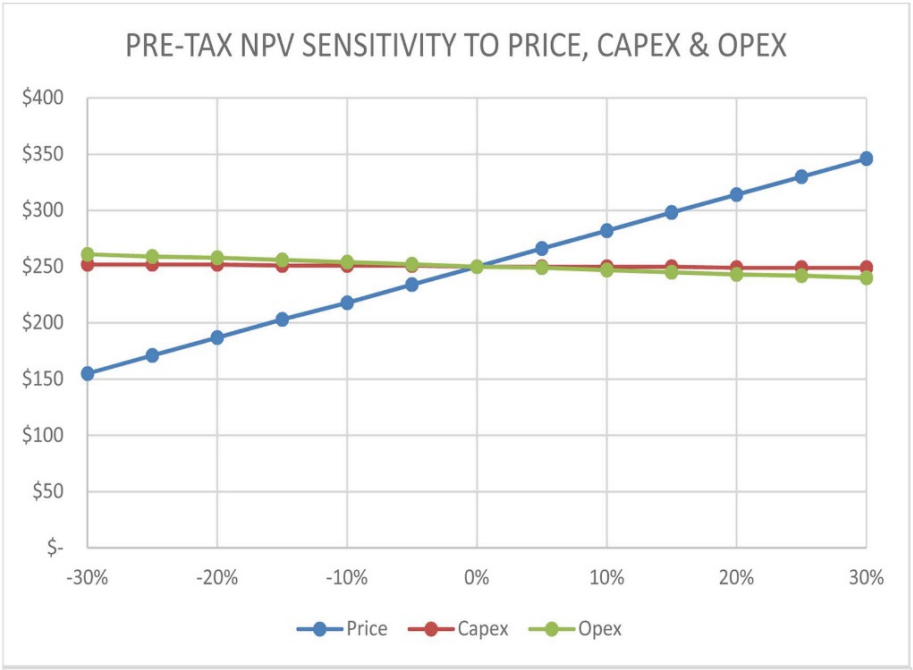
22.2 Cash Flow Forecast and Production Schedule

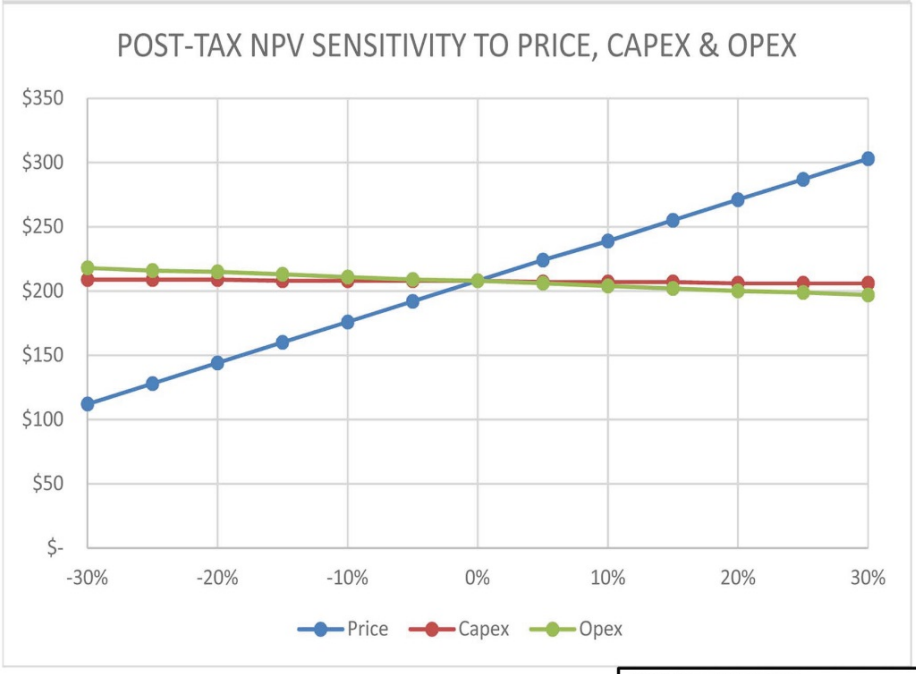
This report contemplates Lost Creek's start date of August 2, 2013 and incorporates production up to the cutoff time for the economics portion of the PEA (September 30, 2015). The NPV assumes cash flows take place in the middle of the periods and is calculated based on a discounted cash flow. The production estimates and OPEX cost distribution (Tables 11 and 11a) used to develop the cash flow are based on the production and restoration models developed by URE and incorporated in the cash flow (Tables 12 and 12a). The cash flow assumes no escalation, no debt, interest or capital repayment. It should be noted that Lost Creek ISR, LLC is the recipient of a State of Wyoming Taxable Industrial Development Bond (URE News Release, October 24, 2013). Debt interest and repayment of this bond loan is not included in the economic analysis. It also does not include depreciation. The initial capitalized Project construction was completed prior to start of operations in 2013. The estimated payback of the initial capital investment is estimated during the second quarter of 2018, and the Project is estimated to generate net cash flow over its life, before income tax, of $510.9 million and $409.0 million after income tax. It is estimated that the Project has a before tax IRR of 53.7% and a before tax NPV of $250.4 million and an after tax IRR of 50.9% and an after tax NPV of $207.6 million applying an eight percent discount rate. Life of mine (LoM) operating costs are approximately $29.29 per pound of U3O8 produced including royalties and local taxes. Income taxes are estimated to be $7.32 per pound. The Net Present Value (NPV) for three discount rates has been calculated (pre- and post-income tax) and is presented in Table 13. The estimated Internal Rate of Return (IRR) is also presented in Table 13.

22.3 Taxation

The economic analyses presented herein provide the results of the analyses for pre-income tax and post-income tax, which includes U.S. federal and Illinois state income taxes. There is no State of Wyoming income tax and all sales are assumed to take place in Illinois where the conversion facility is located. The only difference between the two scenarios is the value of the estimated income taxes. All other sales, property, use, severance and conservations taxes as well as royalties are included in both scenarios. The current Wyoming severance tax for uranium is four percent of the taxable value of pounds produced, but after the wellhead deduction it is approximately three percent of gross sales. In addition, the ad valorem (gross products) tax varies but is anticipated to average 6.5%. In aggregate and based on the taxable portion of the product, the total tax averages approximately 6.3% of gross sales. At the federal level, profit from mining ventures is taxable at corporate income tax rates. For mineral properties, depletion tax credits are available on a cost or percentage basis, whichever is greater.

Figure 15: NPV Sensitivity to Price, OPEX and CAPEX





Preliminary Economic Assessment
Lost Creek Property
Sweetwater County, Wyoming

Figure 15
NVP Sensitivity to Price, OPEX and CAPEX

January 2016 Drawn by: SMH

Lost Creek ISR, LLC

The Lost Creek Property economic analysis includes tax estimates for state severance taxes, county ad valorem taxes and property taxes, all of which are directly attributable to the Property. Ur-Energy USA Inc. files consolidated federal tax returns in the U.S. and had approximately $94.5 million in tax loss carry forwards as of December 31, 2014. The Company does not anticipate paying any significant federal income taxes until the existing, and any future, tax loss carry forwards are utilized. In addition, reclamation costs can be deducted in the early years of the project, thus also pushing out the tax liability.

22.4 Sensitivity Analysis

The Property is sensitive to changes in the price of uranium as shown in Figure 15. A five percent change in the spot commodity price results in a $16 million change to the NPV at a discount rate of eight percent. This analysis is based on a variable commodity price per pound. The Property is also slightly sensitive to changes in OPEX costs. A five percent variation in OPEX results in a $1.8 million variation in NPV. A five percent variation in CAPEX results in a $0.1 million variation to the NPV. This analysis is based on an eight percent discount rate and a variable commodity price per pound.

Table 12: Cash Flow Statement ($US 000s)

Cash Flow Line Items	Units	Total	US$ per Pound
Pounds produced	Lbs	13,793,111	
Pounds sold	Lbs	13,918,348	
Sales	US$ 000s	$ 919,051	$ 66.03
Royalties	US$ 000s	$ (489)	$ (0.04)
Net sales	**US$ 000s**	**$ 918,562**	**$ 66.00**
Wyoming severance tax	US$ 000s	$ (21,947)	$ (1.58)
Sweetwater ad valorem tax	US$ 000s	$ (35,811)	$ (2.57)
Operating costs (see Table 11)	US$ 000s	$ (202,933)	$ (14.58)
Wellfield Development	US$ 000s	$ (135,333)	$ (9.72)
Exploration cost	US$ 000s	$ -	$ -
Sweetwater property tax	US$ 000s	$ (1,817)	$ (0.13)
Working capital changes	US$ 000s	$ -	$ (0.00)
Project cash flow	**US$ 000s**	**$ 520,721**	**$ 37.41**
Initial capital	US$ 000s	$ -	$ -
Future Disposal Wells	US$ 000s	$ (6,179)	$ (0.44)
Sustaining capital	US$ 000s	$ (3,639)	$ (0.26)
Net cash flow before tax	**US$ 000s**	**$ 510,903**	**$ 36.71**
Federal income tax	US$ 000s	$ (79,182)	$ (5.69)
State income tax	US$ 000s	$ (22,686)	$ (1.63)
Net cash flow after tax	**US$ 000s**	**$ 409,035**	**$ 29.39**

1. Production is based on an 80% recovery of the total of Measured, Indicated and Inferred resources (per NI 43-101 Section 2.3(3)) in the 12 RAs of the MMT and EMT.
2. Uranium price is a combination of the projections of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual commitments URE has in place.
3. All amounts in US $ 000s.
4. Wellfield Development includes wellfield drilling and wellfield construction costs.
5. Working capital changes are primarily related to annual cash flow timing differences in accounts receivable and accounts payable and totals to zero.
6. Pounds sold exceeds pounds produced due to existing inventories.
7. The NPV and IRR calculations are based on Year 2015 to Year 2036.

Table 12a: Cash Flow Detail ($US 000s)

Cash Flow Line Items	Units	Total	US$ per Pound	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Pounds produced	Lbs	13,793,111		217,316	756,864	813,062	823,930	908,877	987,462	921,704	985,351	1,018,905	838,334	1,019,028	949,637	913,663	1,022,869	908,779	653,345	53,985	-	-	-	-	-
Pounds sold	Lbs	13,918,348		100,000	762,000	900,000	700,000	900,000	1,000,000	900,000	1,000,000	1,000,000	850,000	1,050,000	900,000	950,000	1,050,000	850,000	750,000	256,348	-	-	-	-	-
Sales	US$ 000s	$ 919,051	$ 66.03	$ 3,268	$ 36,167	$ 48,650	$ 38,708	$ 51,724	$ 60,517	$ 59,646	$ 71,667	$ 71,667	$ 60,917	$ 75,250	$ 64,500	$ 68,083	$ 75,250	$ 60,917	$ 53,750	$ 18,372	$ -	$ -	$ -	$ -	$ -
Royalties	US$ 000s	$ (489)	$ (0.04)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (94)	$ (361)	$ (32)	$ (2)	$ (1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net sales	**US$ 000s**	**$ 918,562**	**$ 66.00**	**$ 3,268**	**$ 36,167**	**$ 48,650**	**$ 38,708**	**$ 51,724**	**$ 60,517**	**$ 59,646**	**$ 71,667**	**$ 71,573**	**$ 60,556**	**$ 75,218**	**$ 64,498**	**$ 68,082**	**$ 75,250**	**$ 60,917**	**$ 53,750**	**$ 18,372**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Wyoming severance tax	US$ 000s	$ (21,947)	$ (1.58)	$ (174)	$ (720)	$ (1,158)	$ (1,103)	$ (1,430)	$ (1,566)	$ (1,509)	$ (1,683)	$ (1,744)	$ (1,437)	$ (1,738)	$ (1,622)	$ (1,560)	$ (1,748)	$ (1,553)	$ (1,086)	$ (117)	$ -	$ -	$ -	$ -	$ -
Sweetwater ad valorem tax	US$ 000s	$ (35,811)	$ (2.57)	$ (284)	$ (1,174)	$ (1,889)	$ (1,800)	$ (2,333)	$ (2,555)	$ (2,462)	$ (2,747)	$ (2,845)	$ (2,344)	$ (2,836)	$ (2,646)	$ (2,545)	$ (2,852)	$ (2,534)	$ (1,773)	$ (190)	$ -	$ -	$ -	$ -	$ -
Operating costs (see Table 11)	US$ 000s	$ (202,933)	$ (14.58)	$ (2,421)	$ (10,709)	$ (12,299)	$ (11,032)	$ (11,644)	$ (10,666)	$ (10,291)	$ (11,494)	$ (13,035)	$ (11,087)	$ (10,473)	$ (11,434)	$ (13,212)	$ (11,297)	$ (11,047)	$ (7,563)	$ (6,054)	$ (6,194)	$ (4,426)	$ (1,183)	$ (13,524)	$ (1,844)
Wellfield Development	US$ 000s	$ (135,333)	$ (9.72)	$ (428)	$ (7,872)	$ (4,095)	$ (11,486)	$ (5,963)	$ (10,362)	$ (14,133)	$ (13,661)	$ (10,292)	$ (8,468)	$ (8,155)	$ (13,375)	$ (12,822)	$ (6,497)	$ (7,650)	$ (72)	$ -	$ -	$ -	$ -	$ -	$ -
Exploration cost	US$ 000s	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sweetwater property tax	US$ 000s	$ (1,817)	$ (0.13)	$ -	$ (225)	$ (212)	$ (199)	$ (185)	$ (170)	$ (154)	$ (138)	$ (122)	$ (105)	$ (91)	$ (74)	$ (59)	$ (44)	$ (27)	$ (12)	$ (1)	$ -	$ -	$ -	$ -	$ -
Working capital changes	US$ 000s	$ -	$ (0.00)	$ (1,844)	$ 1,844	$ -	$ -	$ (3,583)	$ (3,583)	$ -	$ 3,583	$ (3,514)	$ (62)	$ (7)	$ 3,583	$ -	$ (7,167)	$ 3,583	$ 7,167	$ -	$ -	$ -	$ -	$ -	$ -
Project cash flow	**US$ 000s**	**$ 520,721**	**$ 37.41**	**$ (1,883)**	**$ 17,311**	**$ 28,997**	**$ 13,088**	**$ 26,586**	**$ 31,615**	**$ 31,097**	**$ 45,527**	**$ 40,021**	**$ 37,053**	**$ 51,918**	**$ 38,930**	**$ 37,884**	**$ 45,645**	**$ 41,689**	**$ 50,411**	**$ 12,010**	**$ (6,194)**	**$ (4,426)**	**$ (1,183)**	**$ (13,524)**	**$ (1,844)**
Initial capital	US$ 000s	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Future Disposal Wells	US$ 000s	$ (6,179)	$ (0.44)	$ -	$ -	$ -	$ -	$ -	$ (1,609)	$ (4,570)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sustaining capital	US$ 000s	$ (3,639)	$ (0.26)	$ (10)	$ (207)	$ (211)	$ (94)	$ (447)	$ (138)	$ (491)	$ (633)	$ (216)	$ (270)	$ (24)	$ (435)	$ (293)	$ (9)	$ (7)	$ (17)	$ (106)	$ (20)	$ (6)	$ (4)	$ -	$ -
Net cash flow before tax	**US$ 000s**	**$ 510,903**	**$ 36.71**	**$ (1,893)**	**$ 17,104**	**$ 28,786**	**$ 12,994**	**$ 26,139**	**$ 29,868**	**$ 26,036**	**$ 44,894**	**$ 39,805**	**$ 36,783**	**$ 51,894**	**$ 38,495**	**$ 37,591**	**$ 45,636**	**$ 41,682**	**$ 50,394**	**$ 11,904**	**$ (6,214)**	**$ (4,432)**	**$ (1,187)**	**$ (13,524)**	**$ (1,844)**
Federal income tax	US$ 000s	$ (79,182)	$ (5.69)	$ (5)	$ (203)	$ (312)	$ (252)	$ (375)	$ (438)	$ (3,783)	$ (5,520)	$ (9,118)	$ (7,397)	$ (10,557)	$ (7,157)	$ (8,128)	$ (11,120)	$ (8,115)	$ (6,703)	$ -	$ -	$ -	$ -	$ -	$ -
State income tax	US$ 000s	$ (22,686)	$ (1.63)	$ -	$ -	$ -	$ -	$ (766)	$ (1,490)	$ (1,323)	$ (1,931)	$ (2,188)	$ (1,776)	$ (2,534)	$ (1,718)	$ (1,951)	$ (2,669)	$ (1,948)	$ (2,150)	$ (243)	$ -	$ -	$ -	$ -	$ -
Net cash flow after tax	**US$ 000s**	**$ 409,035**	**$ 29.39**	**$ (1,898)**	**$ 16,901**	**$ 28,474**	**$ 12,742**	**$ 24,998**	**$ 27,940**	**$ 20,930**	**$ 37,443**	**$ 28,499**	**$ 27,610**	**$ 38,803**	**$ 29,620**	**$ 27,512**	**$ 31,847**	**$ 31,619**	**$ 41,541**	**$ 11,661**	**$ (6,214)**	**$ (4,432)**	**$ (1,187)**	**$ (13,524)**	**$ (1,844)**

1. Production is based on an 80% recovery of the total of Measured, Indicated and Inferred resources (per NI 43-101 Section 2.3(3)) in the 12 RAs of the MMT and EMT.
2. Uranium price is a combination of the projections of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual commitments URE has in place.
3. All amounts in US $ 000s.
4. Wellfield Development includes wellfield drilling and wellfield construction costs.
5. Working capital changes are primarily related to annual cash flow timing differences in accounts receivable and accounts payable and totals to zero.
6. Pounds sold exceeds pounds produced due to existing inventories.
7. The NPV and IRR calculations are based on Year 2015 to Year 2036.

Table 13: Net Present Value Discount Rate Sensitivity and IRR

NPV Discount Rates and IRR	Units	Pre-income Tax	Post-income Tax
NPV @ 5%	US$ 000s	$321,984	$263,488
NPV @ 8%	US$ 000s	$250,426	$207,553
NPV @ 10%	US$ 000s	$213,960	$178,807
IRR (adjusted for Undepreciated Initial Capital) [1]	%	53.7%	50.9%

1. As of September 30, 2015, Lost Creek had $41.0 million of undepreciated, initial capital assets that will be charged against operations over time. By including the undepreciated, initial capital assets, an IRR can be calculated. Without these costs, an IRR cannot be calculated.

23.0 ADJACENT PROPERTIES

Adjacent Properties refers to non-URE uranium properties of interest in close proximity to the Lost Creek Property and should not be confused with the term Adjoining Projects referring to projects which are a part of the Lost Creek Property. There have been several historical conventional uranium mills and mines and one historical ISR project (Bison Basin Project) in the Great Divide Basin (Figure 2). Most significant of these is the Sweetwater Mill and Mine, now owned by Rio Tinto Americas, Inc. (Figure 2). The facility lies about three and one-half miles south of the southwestern-most boundary of the Lost Creek Project and consists of a conventional uranium mill and reclaimed open-pit mine, both of which are currently non-operational. The deposit was discovered in the 1970s by Minerals Exploration Company. Original estimates of resources were as much as 15 million pounds at an average grade of 0.046% eU_3O_8 (ref., Sherborne, *et al.*, 1981). This is an historical estimate derived before standards were developed under NI 43-101, and reliability of the estimate has not been independently verified. Production ceased in approximately 1982 after yielding 1.29 million pounds of uranium.

24.0 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information to include.

25.0 INTERPRETATION AND CONCLUSIONS

This PEA for the Lost Creek Property has been prepared for URE and its subsidiary, LC, by TREC, Inc. and Mr. Bonner, in accordance with Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). Its objective is to disclose material increases to the resources for the Property, resulting from recent drilling within URE's MU2, exploratory drilling at the Lost Creek and LC East Projects, and the re-estimation of all previously-identified resources for the Property at a revised 0.20 grade-thickness (GT) cut-off. This report covers the results of drilling conducted through October 15, 2015 and serves to evaluate the impact of additional identified resources and replaces the most recent Technical Report for the Lost Creek Property dated June 17, 2015.

The Lost Creek Project is in production. Construction of the Lost Creek plant and installation of MU1 was initiated in October 2012. Production operations in MU1 within the HJ Horizon began on August 2, 2013. Since that time through September 30, 2015, 1,358,407 pounds U_3O_8 have been produced and captured from MU1. All the wells to support thirteen header houses (HHs) have been completed. Surface installations for HHs 1-1 through 1-12 have been installed and HHs 1-1 through 1-11 were operational as of October 15, 2015. Additionally, two applications for amendments to the license and permits have been submitted; one to authorize production in the KM Horizon within the Lost Creek Project and the other to authorize production in the HJ and KM Horizons within the EMT in the LC East Project.

25.1 Risk Assessment

Resource and Recovery

Bench-scale tests have been performed on various core samples from the Project, as discussed in Section 13.0 (Mineral Processing and Metallurgical Testing). In addition, production has occurred from MU1 beginning in August 2013 and continues to date. The most significant potential risks to meeting the production results presented in this PEA will be associated with the success of the wellfield operation, recovery of uranium from the targeted host sands, and disposal of wastewater.

The estimated quantity of recovered uranium used in this PEA is based primarily on the recovery data from wellfield operations to date. The recovery factor of 80%, used here, is also relatively typical of industry experience for wellfield recovery. As stated earlier, recoveries in some of the production units are approaching resource estimates. The Authors can provide no assurance that recovery of the resources seen in early production will be demonstrated in future mine units. This PEA is based on the assumptions and information presented herein.

Another potential concern is reduced hydraulic conductivity in the formation due to chemical precipitation or lower hydraulic conductivities than estimated. Early production data supports lower-than-anticipated injection rates that are offset by higher-than-expected production grades. Production rates may also be limited by wastewater disposal capacity. The three deep disposal wells installed to date are operated intermittently to support production operations. Two additional wells have been permitted and are modeled to be installed in the future to support operations. The risks associated with these potential issues have been minimized to the extent possible by extensive delineation, site hydraulic studies, and permitting of future wastewater capacity.

Markets and Contracts

The marketability of uranium and acceptance of uranium mining are subject to numerous factors beyond the control of URE. The price of uranium may experience volatile and significant price movements over short periods of time. Factors known to affect the market and the price of uranium include demand for nuclear power; political and economic conditions in uranium mining, producing and consuming countries; costs; interest rates, inflation and currency exchange fluctuations; governmental regulations; availability of financing of nuclear plants, reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; production levels and costs of production in certain geographical areas such as Russia, Africa and Australia; and changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities.

Unlike other commodities, most uranium does not trade on an open market. Contracts are negotiated privately by buyers and sellers. Changes in the price of uranium can have a significant impact on the economic performance of the Project. As discussed in Section 22.4, a five percent change in the spot commodity price results in a $16 million change to the NPV (pre-income tax) at a discount rate of eight percent This economic analysis assumes U_3O_8 production is sold at a variable price per pound for the life of the Project ranging from $28.49 to $71.67. This price is based on a combination of Dundee Capital Markets, Raymond James Ltd., Cantor Fitzgerald and the actual commitments URE has in place as of Q4 2015. The Authors believe these estimates were appropriate for use in the evaluation.

Operations

Some operational risks such as reagents, power, labor and/or material cost fluctuations exist in the Project operation and could impact the OPEX and Project economic performance. These potential risks are generally considered to be addressable either though wellfield modifications or plant optimization. The plant has been constructed as a batch precipitation and drying operation, which allows for process variations and enhanced control.

The IX and elution processes have been, and are being used not only at Lost Creek, but at other ISR facilities in Wyoming, Texas, and Nebraska. The process does not use any unusual methods and the reagents for the process are readily available from regional sources. Process optimization to minimize the use of reagents, minimize loss of product and ensure proper product quality is ongoing.

Health and safety programs have been implemented to control the risk of on- and off-site exposures to uranium, operational incidents and/or process chemicals. Standard industry practices exist for this type of operation and novel approaches to risk control and management are not required.

25.2 Conclusions

The Authors have weighed the potential benefits and risks presented in this PEA and have found the Property to be potentially viable and meriting further operations, production, evaluation and exploration.

26.0 RECOMMENDATIONS

The Authors find the Property is potentially viable based on the assumptions contained herein. There is no certainty that the mineral recovery or the economics presented here will be realized. The following recommendations are limited due to the fact that this PEA describes the Lost Creek Property which, at this time, is primarily focused on production and development activities, including the permitting of the LC East Project. Additional operational refinements are ongoing as part of routine operation activities, and exploration activities and engineering studies related to the MMT and EMT have largely concluded. Wellfield development and permitting activities, below, are not conditional on one another and should continue concurrently.

26.1 Continued Wellfield Development

To realize the full potential benefits described in this PEA, all aspects of operations and further wellfield development should be continued. Wellfields must continually be developed for future production. Data obtained from wellfield development should be used to continue to reconcile and improve the Property mineral resource estimate. Wellfield development costs are based upon Lost Creek operations to date and are included in the OPEX and CAPEX estimates and financial projections presented herein.

26.2 Continued Permitting

The permit amendment process for the required permits, licenses and approvals for KM production and LC East production should also continue.

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28.0 CERTIFICATES

Certificate of Qualified Person

I, Douglass H. Graves, P.E., of 1800 West Koch, Bozeman, Montana, USA, do hereby certify that:

- I have been retained by Ur-Energy Inc., 5880 Enterprise Road, Casper, Wyoming, USA, to manage, coordinate and develop the documentation for the Amended Preliminary Economic Assessment for the Lost Creek Property, Sweetwater County, Wyoming, USA, dated February 8, 2016 (effective date October 15, 2015) (the "Preliminary Economic Assessment").
- I am a principal of TREC, Inc., 1800 West Koch, Bozeman, Montana, USA.
- I graduated with a Bachelor of Science degree in Watershed Sciences from Colorado State University in 1975.
- I graduated with a Bachelor of Science degree in Civil Engineering from Montana State University in 1982.
- I am a Professional Engineer in Wyoming, Montana, Colorado, South Carolina, Arizona, Idaho, Michigan, Oklahoma and Missouri, a P. Eng. in Alberta, Canada, a Registered Member of the Society for Mining, Metallurgy and Exploration (SME), Mining Associates of Wyoming (MAW), Montana Mining Association (MMA), American Exploration and Mining Association (AEMA) and the American Institute of Steel Construction (AISC).
- I have worked as a consulting Engineer for 35 years. My experience has encompassed infrastructure design, mine construction oversight, cost estimating and control, economic analyses, feasibility studies, equipment selection, design, construction management and mine closure/reclamation for numerous metal mining operations, conventional uranium and uranium ISR facilities. I have either been responsible for or the engineer of record for the design and/or construction of five uranium ISR central processing facilities (two are in operation and one is in construction), two uranium ISR satellite plants and numerous technical and financial evaluations for other uranium processing facilities in Wyoming, Colorado, Texas and New Mexico. I have also been responsible for or the engineer of record for numerous metal and uranium mine decommissioning and reclamation projects over the past 35 years. Some of the mining properties I have been involved with include:

  Lost Creek Uranium
  Moore Ranch Uranium
  Nichols Ranch Uranium
  Ludeman Uranium
  Ross Creek Uranium
  Willow Creek Uranium
  Churchrock Uranium
  Hansen Uranium
  Jab-Antelope Uranium
  Climax Molybdenum
  Henderson Molybdenum
  Bagdad Copper
  Sierrita Copper
  Globe Copper
  Morenci Copper

- I have read the definition of "qualified person" set out in National Instrument (NI) 43-101 and certify by reason of my education, professional registration and relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

- I have visited the Lost Creek project site in the past and, most recently, on May 19, 2015. I am responsible for the preparation of all or part of Sections 1, 2, 3, 4, 5, 6, 13, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 28 of the report entitled "Amended Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming," dated February 8, 2016.
- I am independent of the issuer applying all of the tests of NI 43-101.
- I was the author for two previous NI 43-101 Preliminary Economic Assessments submitted for this project dated March 16, 2011 and December 30, 2013, the Technical Report for the Lost Creek Property, Sweetwater County, Wyoming, dated June 17, 2015, and am the engineer of record for the design of the Lost Creek Property uranium processing plant.
- I have read NI 43-101 and the Preliminary Economic Assessment has been prepared in accordance with the guidelines set forth in NI 43-101 and Form 43-101F1.
- To the best of my knowledge, information and belief, at the effective date of the Preliminary Economic Assessment, the Preliminary Economic Assessment contains all scientific and technical information that is required to be disclosed to make the Preliminary Economic Assessment not misleading.

Dated this 8th day of February, 2016

Signed and Sealed

/s/ Douglass H Graves

Douglass H. Graves, P.E., Professional Engineer Wyoming PE 4845 and SME Registered Member 4149627

Certificate of Qualified Person

I, James A. Bonner, C.P.G., of 930 Recluse Ct., Casper, Wyoming, USA, do hereby certify that, with respect to the Amended Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming, February 8, 2016 (the "PEA"):

- I am the Vice President Geology, Ur-Energy Inc., 5880 Enterprise Drive, Suite 200, Casper, Wyoming, USA. I have worked in this capacity since March 2014.
- I graduated with a Bachelor of Science degree in Geology from University of Wyoming in 1968.
- I am a Certified Professional Geologist with the American Institute of Professional Geologists (CPG-11608) and a Wyoming Professional Geologist (PG-906), in good standing.
- I have thirty years of geologic experience, twenty-eight of which have been in the uranium industry. I have practiced as an exploration geologist, Exploration Manager and Vice President Exploration for other uranium development/mining companies, primarily in the states of Wyoming, Colorado, South Dakota and Texas. This work has encompassed a variety of uranium deposits and resource estimation evaluations, including work on an operating open-pit uranium mine and three developing uranium ISR projects. I am the author of several publications on subjects related to the uranium industry.
- I am the author of two previous NI 43-101 Technical Reports: the "Updated Technical Report on the Dewey-Burdock Uranium Project, Custer and Fall River Counties, South Dakota", published June 3, 2009 for Powertech Uranium Corp. and the "Updated Technical Report on the Centennial Uranium Project, Weld County, Colorado", published on June 15, 2009 for Powertech Uranium Corp.
- I have read the definition of "qualified person" set out in National Instrument (NI) 43-101 and certify by reason of my education, professional registration and relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
- I have visited the Lost Creek site in the past on numerous occasions, most recently on January 18, 2016.
- I am responsible for the preparation of all or part of Sections 1, 2, 7, 8, 9, 10, 11, 12, 13, 14, 15, 22, 23, 25, 27 and 28 of the PEA.
- I am an employee of Ur-Energy USA Inc., and an officer of Ur-Energy Inc., and therefore am not independent of the issuer.
- Since I began my employment with Ur-Energy, I have been involved with all aspects of the Lost Creek Property geology, exploration and development.
- I have read NI 43-101 and the PEA has been prepared in accordance with the guidelines set forth in NI 43-101 and Form 43-101F1.
- To the best of my knowledge, information and belief, at the effective date of the document, October 15, 2015, the PEA contains all scientific and technical information that is required to be disclosed to make the PEA not misleading.

Dated this 8th day of February, 2016

Signed and sealed

/s/ James A. Bonner

James A. Bonner, Certified Professional Geologist and Member 11608 of the American Institute of Professional Geologists and Wyoming Professional Geologist No. PG-906