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Ur-Energy Announces Cost Savings Measures and Provides Further Production Guidance for 2016

LITTLETON, Colo., June 8, 2016 /PRNewswire/ -- **Ur-Energy Inc.** (NYSE MKT:URG TSX:URE) ("Ur-Energy" or the "Company") announces cost savings measures through a reduction in workforce.



Due to continuing depressed uranium market conditions, the Company has implemented cost savings measures including workforce reductions at all three of its locations: Littleton, Colorado, Casper, Wyoming and the Lost Creek Mine Site. The reductions include twelve employees, with several remaining employees asked to change job responsibilities or carry additional duties. These measures represent an expected annual savings of approximately \$1.5 million, beginning in 2017. The reorganization and workforce reductions are necessitated by the persistent downturn in the uranium market and pricing which affects the Company's ability to sell into the spot market and conduct exploration activities in 2016 and 2017. At this time, there is no plan for any exploration activities at the Lost Creek Property or among the Company's other uranium projects in Wyoming.

The affected employees have been offered severance arrangements in order to assist with their transition to other employment opportunities. Implementation of the adjustments necessitated by the reorganization has begun and should be complete in coming weeks. The few operational modifications required at Lost Creek will be overseen closely to assure continued safe operations.

Jeff Klenda, Company Chair and Executive Director, noted that "Although we maintain a solid base of long-term contracts at average pricing near \$50 per pound, spot pricing in 2016 has weakened considerably and, in response, we determined that we needed to proactively undertake to further cut costs and streamline our overall corporate and operating efficiencies. This could only be accomplished through a reduction in workforce. Difficult times require difficult decisions. Sadly, in this case, it meant saying good-bye to some very high quality people whom we truly hate to lose. In making these very difficult decisions, we identified positions to be eliminated or reorganized in order to cut costs while still

maintaining the Company's operational capability including, most importantly, the operations at Lost Creek."

Lost Creek is now projected to produce between 600,000 and 700,000 pounds U₃O₈ in 2016, which will be more than sufficient to deliver into our remaining long-term sales commitments for the year. Production in excess of our contractual commitments will be used to build inventory or make spot sales, if and as warranted. The Company has term contracts committing approximately 3.1 million pounds U₃O₈ between 2016 – 2021 and averaging \$49.81 per pound. This average pricing currently stands at more than \$20 per pound above spot pricing.

The thirteenth, and final, originally-planned header house in the first mine unit at Lost Creek became operational at the end of May. The header house and its patterns of production wells include certain refinements in design and well completion techniques that are expected to increase injectivity for even greater well performance. Development work in the second mine unit continues to be limited as Mine Unit 1 has met production needs to date. However, wells have been installed in the first three header houses of the second mine unit and installation of production support systems such as power lines and pipelines have commenced on a limited basis.

About Ur-Energy

Ur-Energy is a junior uranium mining company operating the Lost Creek in-situ recovery uranium facility in south-central Wyoming. The Lost Creek processing facility has a two million pounds per year nameplate capacity. The Company has begun to submit applications for permits and licenses to operate Shirley Basin. Ur-Energy is engaged in uranium mining, recovery and processing activities, including the acquisition, exploration, development and operation of uranium mineral properties in the United States. Shares of Ur-Energy trade on the NYSE MKT under the symbol "URG" and on the Toronto Stock Exchange under the symbol "URE." All currency figures in this announcement are in US dollars unless otherwise stated. Ur-Energy's corporate office is located in Littleton, Colorado; its registered office is in Ottawa, Ontario. Ur-Energy's website is www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT

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Cautionary Note Regarding Forward-Looking Information

This release may contain "forward-looking statements" within the meaning of applicable securities laws regarding events or conditions that may occur in the future (e.g., ability to meet production targets and to timely deliver into existing contractual obligations; whether the Company's long term contracts adequately protect against market volatility; whether continuing refinements in construction and completion of wells at Lost Creek permits increased injectivity) and are based on current expectations that, while considered reasonable by management at this time, inherently involve a number of significant business, economic and competitive risks, uncertainties and contingencies. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to, capital and other costs varying significantly from estimates; failure to establish estimated resources and reserves; the grade and recovery of ore which is mined varying

from estimates; production rates, methods and amounts varying from estimates; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; inflation; changes in exchange rates; fluctuations in commodity prices; delays in development and other factors described in the public filings made by the Company at www.sedar.com and www.sec.gov. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof and Ur-Energy disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management's beliefs, expectations or opinions that occur in the future.

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