Ur-Energy Inc.
(a Development Stage Company)
Headquartered in Littleton, Colorado

Management's Discussion and Analysis

June 30, 2010

(expressed in Canadian dollars)

(Information as at July 28, 2010 unless otherwise noted)

Introduction

The Company was incorporated on March 22, 2004 and completed its first year-end on December 31, 2004. The Company is headquartered in Littleton, CO with assets predominantly located in the United States. The consolidated financial statements include all of the assets, liabilities and expenses of the Company and its wholly-owned subsidiaries Ur-Energy USA Inc.; NFU Wyoming, LLC; Lost Creek ISR, LLC; NFUR Bootheel, LLC; Hauber Project LLC; NFUR Hauber, LLC; ISL Resources Corporation; ISL Wyoming, Inc.; and CBM-Energy Inc. All inter-company balances and transactions have been eliminated upon consolidation. Ur-Energy Inc. and its wholly-owned subsidiaries are collectively referred to herein as "Ur-Energy" or the "Company".

The following provides management's discussion and analysis of results of operations and financial condition for the three and six months ended June 30, 2010. Management's Discussion and Analysis ("MD&A") was prepared by Company management and approved by the board of directors on July 28, 2010. This discussion and analysis should be read in conjunction with the Company's unaudited financial statements for the three and six months ended June 30 2010 and its audited consolidated financial statements for the years ended December 31, 2009 and 2008. All figures are presented in Canadian dollars, unless otherwise noted, and are in accordance with Canadian generally accepted accounting principles.

Forward-Looking Information

This MD&A contains "forward-looking statements" within the meaning of applicable United States and Canadian securities laws. Shareholders can identify these forward-looking statements by the use of words such as "expect", "anticipate", "estimate", "believe", "may", "potential", "intends", "plans" and other similar expressions or statements that an action, event or result "may", "could" or "should" be taken, occur or be achieved, or the negative thereof or other similar statements. These statements are only predictions and involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. Such statements include, but are not limited to: (i) whether the Company has sufficient cash to fund its capital requirements; (ii) receipt of (and related timing of) a United States Nuclear Regulatory Commission Source and Byproduct Material License*;* Wyoming Department of Environmental Quality Permit and License to Mine; record of decision on the United States Bureau of Land Management Plan of Operations; and all other necessary permits related to Lost Creek**;** (iii) Lost Creek will advance to production and the production timeline at Lost Creek; (iv) production rates, timetables and methods at Lost Creek; (v) the Company's procurement and construction plans at Lost Creek; (vi) the completion and timing of various exploration programs, including without limitation, those at LC South; (vii) the potential of new exploration targets in the area of Lost Creek, including those at LC North and LC South, to contain 24 to 28 million pounds of U_3O_8 (***not*** NI 43-101 compliant); and (viii) timing, completion, and funding for and results of further exploration programs at the Bootheel Project and Hauber Project. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with start-up), capital expenditures, operating costs, mineral resources, recovery rates, grades and prices; business strategies and measures to implement such strategies; competitive strengths; estimated goals; expansion and growth of the business and operations; plans and references to the Company's future successes; the Company's history of operating losses and uncertainty of future profitability; the Company's status as a development stage company; the Company's lack of mineral reserves; the hazards associated with mining construction and production; compliance with environmental laws and regulations; risks associated with obtaining permits in Canada and the United States; risks associated with current variable economic conditions; the possible impact of future financings; the possibility for adverse results in potential litigation; fluctuations in foreign exchange rates; uncertainties associated with changes in government policy and regulation; uncertainties associated with the Canadian Revenue Agency's audit of any of the Company's cross border transactions; adverse changes in general business conditions in any of the countries in which the Company does business; changes in the Company's size and structure; the effectiveness of the Company's management and its strategic relationships; risks associated with the Company's ability to attract and retain key personnel; uncertainties regarding the Company's need for additional capital; uncertainty regarding the fluctuations of the Company's quarterly results; uncertainties relating to the Company's status as a non-U.S. corporation; uncertainties related to the volatility of the Company's share price and trading volumes; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain the Company's listing on the NYSE Amex (the "NYSE Amex") and Toronto Stock Exchange (the "TSX"); risks associated with the Company's possible status as a "passive foreign investment corporation" or a "controlled foreign corporation" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with the Company's investments and other risks and uncertainties described under the heading "Risk Factors" of the Company's Annual Report on Form 20-F ("Annual Information Form") dated March 5, 2010 which is filed on SEDAR at www.sedar.com (March 11, 2010) and with the U.S. Securities and Exchange Commission at www.sec.gov (March 12, 2010).

The potential quantity and grade ranges set forth in regards to exploration targets at Lost Creek, LC North and LC South are conceptual in nature only. There has been insufficient exploration to define a mineral resource at the new exploration targets at Lost Creek and the targets at LC North and LC South. It is uncertain if further exploration will result in the target(s) being delineated as a mineral resource.

Cautionary Note to U.S. Investors - Resource and Reserve Estimates

The terms "mineral reserve," "proven mineral reserve" and "probable mineral reserve" used in the Company's disclosure are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Best Practice Guidelines for the Estimation of Mineral Resource and Mineral Reserves (the "CIM Standards"), adopted by the CIM Council on November 23, 2003. These definitions differ from the definitions in the United States Securities and Exchange Commission (the "SEC") Industry Guide 7 under the Securities Act of 1933, as amended (the "Securities Act"). Under Industry Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

The terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource" used in the Company's disclosure are Canadian mining terms that are defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards; however, these terms are not defined terms under Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically mineable.

Accordingly, information contained in this report containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Nature of Operations and Description of Business

The Company is a development stage junior mining company engaged in the identification, acquisition, evaluation, exploration and development of uranium mineral properties in the United States and Canada. The Company is primarily focused on exploration within the geological uranium province centered on Wyoming, USA. Two of the Company's Wyoming properties, Lost Creek and Lost Soldier, contain defined resources that the Company expects to advance to production. Lost Creek is progressing through the regulatory process and is expected to have all necessary licenses and permits in coming months. Among its other properties in North America, the Company continues to hold its Screech Lake property in the Thelon Basin, Northwest Territories, Canada.

Due to the nature of the uranium mining methods to be used by the Company on the Lost Creek property, and the definition of "mineral reserves" under National Instrument 43-101 ("NI 43-101"), which uses the Canadian Institute of Mining ("CIM") Definition Standards, the Company has not determined whether the property contains mineral reserves. However, the Company's April 2008 NI 43-101 "Preliminary Assessment for the Lost Creek Project Sweetwater County, Wyoming" outlines the economic viability of the Lost Creek project, which is currently in the permitting process with state and federal regulators. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to develop the properties, the ability of the Company to obtain the necessary permits to operate the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

Selected Information

The following table contains selected financial information as at June 30, 2010 and December 31, 2009.

	As at June 30, 2010 $ (unaudited)	**As at December 31, 2009 $**
Total assets	79,848,090	81,702,205
Liabilities	(1,376,563)	(1,550,675)
Net assets	78,471,527	80,151,530
Capital stock and contributed surplus	162,809,542	157,725,036
Deficit	(84,338,015)	(77,573,506)

(Information as at July 28, 2010 unless otherwise noted)

The following table contains selected financial information for the three and six months ended June 30, 2010 and 2009 and cumulative information from inception of the Company on March 22, 2004 to June 30, 2010.

	Three Months Ended June 30, 2010 $ (unaudited)	**Three Months Ended June 30, 2009 $** (unaudited)	**Six Months Ended June 30, 2010 $** (unaudited)	**Six Months Ended June 30, 2009 $** (unaudited)	**Cumulative from March 22, 2004 through June 30, 2010 $** (unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil
Total expenses [1]	(2,981,561)	(3,616,032)	(6,785,753)	(8,652,534)	(95,073,985)
Interest income	92,912	218,637	198,177	619,380	7,167,531
Loss from equity investment	(10,770)	Nil	(13,396)	Nil	(31,251)
Foreign exchange gain (loss)	837,178	(1,933,051)	(150,787)	(1,298,720)	1,911,341
Other income (loss)	(12,000)	(117,332)	(12,750)	(110,832)	890,849
Loss before income taxes	(2,074,241)	(5,447,778)	(6,764,509)	(9,442,706)	(85,135,515)
Recovery of future income taxes	Nil	Nil	Nil	Nil	797,500
Net loss for the period	(2,074,241)	(5,447,778)	(6,764,509)	(9,442,706)	(84,338,015)
Loss per common share:					
Basic and diluted	(0.02)	(0.06)	(0.07)	(0.10)	
Cash dividends per common share	Nil	Nil	Nil	Nil	
[1] Stock based compensation included in total expenses	191,620	194,485	377,842	474,974	16,090,913

The Company has not generated any revenue from its operating activities to date. The Company's expenses include general and administrative ("G&A") expense, exploration and evaluation expense, development expense and write-off of mineral property costs. Acquisition costs of mineral properties are capitalized.

No cash dividends have been paid by the Company. The Company has no present intention of paying cash dividends on its common shares as it anticipates that all presently available funds will be invested to finance new and existing exploration and development activities.

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Summary of Quarterly Financial Information

The following table contains summary quarterly financial information for each of the eight most recently completed quarters.

	Quarter Ended							
	Jun. 30 2010 $ (Unaudited)	**Mar. 31 2010 $** (Unaudited)	**Dec. 31 2009 $** (Unaudited)	**Sep. 30 2009 $** (Unaudited)	**Jun. 30 2009 $** (Unaudited)	**Mar. 31 2009 $** (Unaudited)	**Dec. 31 2008 $** (Unaudited)	**Sep. 30 2008 $** (Unaudited)
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total expenses	(2,981,561)	(3,804,192)	(3,419,379)	(5,336,536)	(3,616,032)	(5,036,502)	(7,947,470)	(9,186,720)
Interest income	92,912	105,265	141,016	130,519	218,637	400,743	531,148	573,608
Loss from equity investment	(10,770)	(2,626)	(4,365)	(13,490)	Nil	Nil	Nil	Nil
Foreign exchange gain (loss)	837,178	(987,965)	(1,393,136)	(814,255)	(1,933,051)	634,331	5,585,970	(425,801)
Other income (loss)	(12,000)	(750)	(34,878)	1,085,947	(117,332)	6,500	Nil	(18,203)
Loss before income taxes	(2,074,241)	(4,690,268)	(4,710,742)	(4,947,815)	(5,447,778)	(3,994,928)	(1,830,352)	(9,057,116)
Recovery of future income taxes	Nil	Nil	(429,055)	797,500	Nil	Nil	Nil	Nil
Net loss for the period	(2,074,241)	(4,690,268)	(5,139,797)	(4,150,315)	(5,447,778)	(3,994,928)	(1,830,352)	(9,057,116)
Loss per share – basic and diluted	(0.02)	(0.05)	(0.06)	(0.04)	(0.06)	(0.04)	(0.02)	(0.09)

Overall Performance and Results of Operations

From inception to June 30, 2010, the Company has raised net cash proceeds from the issuance of common shares and warrants and from the exercise of warrants and stock options of $143.4 million. As at June 30, 2010, the Company held cash and cash equivalents, and short-term investments of $40.4 million. The Company's cash resources are invested with banks in Canada and the United States in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts.

Mineral Properties

The Company holds mineral properties in the United States and Canada totaling more than 230,000 acres (more than 93,000 hectares).

Lost Creek Project – Great Divide Basin, Wyoming

The Lost Creek uranium deposit is located in the Great Divide Basin, Wyoming. The deposit is approximately three miles (4.8 kilometers) long and the mineralization occurs in four main sandstone horizons between 315 feet (96 meters) and 700 feet (213 meters) in depth. As identified in the June 2006 Technical Report on Lost Creek, NI 43-101 compliant resources are 9.8 million pounds of U_3O_8 at 0.058 % as an indicated resource and an additional 1.1 million pounds of U_3O_8 at 0.076 % as an inferred resource.

Lost Creek was acquired in 2005 as part of the purchase of all of the membership interests in NFU Wyoming, LLC ("NFU Wyoming"). In addition to Lost Creek, other assets acquired include the Lost Soldier project, other

(Information as at July 28, 2010 unless otherwise noted)

properties, and a development database including more than 10,000 electric well logs, over 100 geologic reports and over 1,000 geologic and uranium maps covering large areas of Wyoming, Montana and South Dakota. The 100% interest in NFU Wyoming was purchased for an aggregate consideration of $24,515,832 (US$20,000,000), plus interest.

A royalty on future production of 1.67% is in place with respect to 20 claims comprising a small portion of the Lost Creek Project claims.

Lost Creek Regulatory

Ur-Energy continues to focus its efforts on the regulatory processes necessary to obtain all required authorizations to mine uranium by in situ recovery methods at the Lost Creek project. The required authorizations include permits and/or licenses from the U.S. Nuclear Regulatory Commission ("NRC"), the U.S. Bureau of Land Management ("BLM"), and the Wyoming Department of Environmental Quality ("WDEQ").

The NRC is required to complete two reports, the Safety Evaluation Report ("SER") and the Supplemental Environmental Impact Statement ("SEIS"), prior to issuing an NRC Source Material and Byproduct License ("NRC License"). The Company has responded to all NRC staff requests related to the SER. The NRC is continuing its effort to finalize the SER. The Draft SEIS was issued for the Lost Creek Project in December 2009. The NRC is currently processing the comments received to the Draft SEIS and has stated that it expects to issue the SEIS in the second half of 2010

The BLM is preparing the environmental review required before approving the Lost Creek Plan of Operations that was submitted to the BLM in November 2009. A third party contractor has been assigned to draft the environmental review documents. The BLM may choose to coordinate its environmental review with the issuance of the NRC SEIS or it may complete an independent review that may incorporate part or all of the NRC SEIS for Lost Creek.

The permitting process with the WDEQ Land Quality Division ("WDEQ-LQD") for the Permit to Mine is also proceeding through the final aspects of technical review. Current expectations are that the Permit to Mine will not be finalized until the BLM completes its environmental review process and issues its approval as the Landowner.

The WDEQ-Air Quality Division issued the Lost Creek Air Quality Permit in January 2010. In May 2010, WDEQ-Water Quality Division ("WDEQ-WQD") issued the final Class I Underground Injection Control Permit to drill, complete and operate up to five Class I injection wells at Lost Creek to meet the anticipated disposal requirements for the life of the Lost Creek project. Also in May, the Company received from the Wyoming State Engineer's Office its approval for the construction and operation of two waste water retention ponds at the Lost Creek site.

As a part of its WDEQ-LQD Permit to Mine application, the Company submitted a Wildlife Management Plan that addresses, among other concerns, the Greater Sage Grouse. The Wyoming Game and Fish Department ("WGFD") recently determined that the Wildlife Management Plan meets all of the current and proposed protection measures for the Greater Sage Grouse species. WGFD has forwarded its required approval to the WDEQ-LQD for incorporation into the Permit to Mine.

The Lost Creek Project Development Plan was approved by Sweetwater County in December 2009.

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Lost Creek Development Program – Drilling, Planning and Procurement

The Company established a framework to demonstrate the economic viability of the Lost Creek project. In April 2008, the Company released an independent technical report under NI 43-101 prepared by Lyntek Inc. ("Lyntek"), entitled Preliminary Assessment for the Lost Creek Project Sweetwater County, Wyoming ("Preliminary Assessment"). The Preliminary Assessment provides an analysis of the economic viability of the mineral resource of the Lost Creek project. The base case in the Preliminary Assessment demonstrates that the project will be economic at prices above US$40 per pound U_3O_8. Lyntek also concluded that the uranium is leachable with a reasonable solution of bicarbonate and peroxide (and by extension, oxygen), and that an overall recovery of uranium in the range of 85% appears reasonable. The Preliminary Assessment is available for review on the Company's profile on www.sedar.com.

To date, Ur-Energy has completed 1,048 drill holes totaling approximately 690,000 feet (approximately 210,000 meters) on the Lost Creek property. Of that, 298 holes of delineation and monitor well drilling (213,040 feet (64,935 meters)) were drilled in 2009 and early 2010 to obtain geologic data necessary for mine planning within the HJ horizon in Mine Unit #2. A secondary objective of the program was to continue to collect data from the underlying mineralized horizons (KM and N) for future production planning. The Company anticipates submitting an application for amendment to its licenses and permits, when received, to allow for mineral recovery from the underlying KM horizon at Lost Creek. Recent leaching tests done on samples from the KM region yielded favorable results consistent with those of the HJ horizon.

During 2009, the Company completed detailed designs and specifications for the Lost Creek plant and selected Fagen, Inc. as its general contractor of the Lost Creek plant construction project. Procurement of equipment for the plant has continued. Design work continues on pipelines, power lines, header house internals, instrumentation and wellheads for Lost Creek. Refinement of the automation and programming systems for the plant and well fields is ongoing. The prototype header house was completed in the second quarter of 2010.

Company Projects Adjacent to Lost Creek

Having expanded its land position around Lost Creek in 2009, the Company currently controls 1,753 unpatented mining claims and two State of Wyoming uranium leases for a total of almost 34,000 mineral acres including the Lost Creek permit area, LC North, LC South, EN and Toby project areas.

In August 2009, the Company announced the results of in-house geologic evaluations of the Lost Creek permit area and adjacent properties held by the Company which contain multiple exploration targets demonstrating the potential to contain 24 to 28 million pounds U_3O_8 (***not*** NI 43-101 compliant). These potential quantity ranges are conceptual in nature, only, as there has been insufficient exploration to define a mineral resource as to all of these exploration targets. It is uncertain if further exploration will result in the target(s) being delineated as a mineral resource. Company geologists, using Ur-Energy drilling and historic data, have identified a minimum of an additional 120 compiled linear miles (193 kilometers) of new redox fronts with potential for resource development on these properties. This is in addition to the approximately 36 miles (58 kilometers) of redox fronts contained in the current Lost Creek deposit. The new exploration targets on LC North and LC South properties (adjacent to the Lost Creek permit area) consist of at least 10 individual sinuous redox fronts within four major stratigraphic horizons. The newly identified fronts occur within the same stratigraphic horizons that are present in the area of the Lost Creek deposit. Estimation of the potential of the new fronts is based on the observed similarity of alteration characteristics, grade and thickness of mineralization to that currently identified in the Lost Creek deposit.

The Company plans a 200-hole drill program in 2010 to further explore certain of these new exploration targets located on the LC South property. Planning for the program continued in the second quarter, including completion of baseline studies and other work leading to necessary regulatory approvals to proceed. It is estimated that as many as 2,000 to 3,000 drill holes will be required over the course of several years to fully evaluate the various new exploration targets in LC South, as well as LC North and certain areas within the Lost Creek Permit Area. Ur-Energy also announced it will commission an independent NI 43-101 study to further evaluate a portion of the roll fronts and exploration targets identified within the LC South property with the objective to report on inferred resources. The NI 43-101 report will be based upon existing data from approximately 60 mineralized drill holes on the LC South property.

Company Ventures: Hauber Project LLC and The Bootheel Project, LLC

As a part of its 2010 obligations under the Hauber Project venture agreement, NCA Nuclear Inc. (subsidiary of Bayswater Uranium Corporation) plans to drill at least two drill holes for the purpose of testing in situ recovery amenability of the uranium mineralization. Hauber Project maintains properties within the Black Hills Uplift in Crook County, Wyoming, comprising 205 unpatented lode mining claims and one state uranium lease totaling approximately 4,570 mineral acres. In January 2010, NCA Nuclear completed an independent NI 43-101 mineral resource estimate of the properties at the Hauber Project. The resource estimate concludes the Hauber Project properties hold approximately 1.45 million pounds of equivalent U_3O_8 (eU_3O_8) (Indicated Resources) in 423,000 tons at an average grade of 0.17% eU_3O_8. Bayswater has filed the NI 43-101 report on www.sedar.com. NCA Nuclear Inc. can earn a 75% interest in the Hauber Project by completing its US$1 million earn-in commitment.

Crosshair Exploration & Mining ("Crosshair") continues to advance The Bootheel Project working with a contractor, AATA International, completing wildlife surveys and other baseline monitoring. Crosshair plans to obtain an NRC docket number for the Bootheel property. The Project's properties within the Shirley Basin, Wyoming cover total defined areas of approximately 8,524, and 7,895 net, mineral acres. In 2009, Crosshair released an independent NI 43-101 resource estimate on the Bootheel property, which reports the Bootheel property contains an indicated resource of 1.09 million pounds U_3O_8 (indicated resource) in 1.4 million short tons, at a grade of 0.038% U_3O_8, and an inferred resource of 3.25 million pounds U_3O_8 (in 4.4 million short tons) at an average grade of 0.037% U_3O_8. This NI 43-101 report was filed by Crosshair on www.sedar.com. Ur-Energy has a 25% interest in this property.

Additional Exploration Activities and Company Databases

In 2010, the Company continues to acquire rights in additional lands, including grassroots regional exploration projects. The Company continues to actively explore within the multi-state geological uranium province centered on Wyoming. The Company continues to plan for 2010 exploration programs, including drilling, to further an understanding of regional geologic trends. Ongoing evaluation also continues of the various historic exploration databases owned by the Company which include data acquired throughout the geologic province.

(Information as at July 28, 2010 unless otherwise noted)

Three Months and Six Months Ended June 30, 2010 Compared to Three Months and Six Months Ended June 30, 2009

The following tables summarize the results of operations for the three and six months ended June 30, 2010 and 2009.

	Three Months Ended June 30,			
	2010 $	**2009** $	**Change** $	**Change** %
Revenue	Nil	Nil	Nil	NA
General and administrative	(1,269,047)	(1,400,320)	131,273	-9%
Exploration and evaluation expense	(921,487)	(1,274,631)	353,144	-28%
Development expense	(791,027)	(897,580)	106,553	-12%
Write-off of mineral properties	Nil	(43,501)	43,501	NA
Total expenses	(2,981,561)	(3,616,032)	634,471	-18%
Interest income	92,912	218,637	(125,725)	-58%
Loss from equity investment	(10,770)	Nil	(10,770)	NA
Foreign exchange gain (loss)	837,178	(1,933,051)	2,770,229	-143%
Other income (loss)	(12,000)	(117,332)	105,332	-90%
Loss before income taxes	(2,074,241)	(5,447,778)	3,373,537	-62%
Recovery of future income taxes	Nil	Nil	Nil	NA
Net loss for the period	(2,074,241)	(5,447,778)	3,373,537	-62%
Loss per share – basic and diluted	(0.02)	(0.06)	0.04	-67%

	Six Months Ended June 30,			
	2010 $	**2009** $	**Change** $	**Change** %
Revenue	Nil	Nil	Nil	NA
General and administrative	(2,588,587)	(2,760,508)	171,921	-6%
Exploration and evaluation expense	(1,843,746)	(2,510,896)	667,150	-27%
Development expense	(2,353,420)	(3,274,068)	920,648	-28%
Write-off of mineral properties	-	(107,062)	107,062	NA
Total expenses	(6,785,753)	(8,652,534)	1,866,781	-22%
Interest income	198,177	619,380	(421,203)	-68%
Loss from equity investment	(13,396)	-	(13,396)	NA
Foreign exchange gain (loss)	(150,787)	(1,298,720)	1,147,933	-88%
Other income (loss)	(12,750)	(110,832)	98,082	-88%
Loss before income taxes	(6,764,509)	(9,442,706)	2,678,197	-28%
Recovery of future income taxes	Nil	Nil	Nil	NA
Net loss for the period	(6,764,509)	(9,442,706)	2,678,197	-28%
Loss per share – basic and diluted	(0.07)	(0.10)	0.03	-30%

Expenses

Total expenses for the three and six months ended June 30, 2010 were $3.0 million and $6.8 million, respectively, which include G&A expense, exploration and evaluation expense and development expenses. These expenses decreased by $0.6 million and $1.9 million from a total of $3.6 million and $8.7 million for the respective periods in 2009. This decrease was driven in large part by the cost of a deep test well which was completed in 2009.

G&A expense relates to the Company's administration, finance, investor relations, land and legal functions and consists principally of personnel and facility costs. Expenses declined $0.1 million and $0.2 million for the three and six month periods respectively. External legal costs in Canada declined $0.1 million for each period and salary costs declined by $0.1 million for the six months ended June 30, 2010 compared to the comparable period in 2009.

Exploration and evaluation expenses declined $0.4 million and $0.7 million for the three and six month periods ended June 30, 2010 compared to the respective periods in 2009. Much of this decline relates to an overall reduction in these expenses as the focus continues to shift to the development of the Lost Creek facility for production. The most significant declines were in labor costs which declined $0.2 million and $0.3 million for the three and six month periods respectively and depreciation expense with declined $0.1 million for the six month period.

Development expense relates entirely to the Company's Lost Creek property. Overall expenses declined by $0.1 and $0.9 million from 2009 to 2010 for the three and six month periods. The main reason for the six month decline was that 2009 costs included drilling and piping costs in excess of $1.2 million related to the completion of a deep test well. This was partially offset by additional delineation drilling costs in 2010 of $0.2 million. There was a decrease in consulting costs of $0.1 million for the three months ended June 30, 2010 compared to 2009 as the majority of the consulting work related to permitting was done in the initial development and application stage of the permitting process, which is now nearly complete.

During the six months ended June 30, 2009, the Company wrote off the Eyeberry and Muggins Mountain mineral properties reflecting a $0.1 million expense. There are no mineral property write offs to date in 2010.

Other income and expenses

The Company's cash resources are invested with banks in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts. The decrease in interest income was driven by lower average cash resources and lower average interest rates in 2010 as compared to those in 2009.

The net foreign exchange gain and loss for the three and six months ended June 30, 2010 was primarily due to cash resources held in U.S. dollar accounts, which fluctuate relative to the Canadian dollar. In 2009, the Canadian dollar strengthened during both the three and six month periods ended June 30. In 2010, the Canadian dollar weakened during the three months ended June 30, but strengthened slightly for the six month period then ended.

Loss per Common Share

Both basic and diluted loss per common share for the three and six months ended March 31, 2010 were $0.02 and $0.07, respectively (2009 – $0.06 and - $0.10, respectively). The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced. The decreased loss is due to a general reduction in expenses and more favorable changes in the US$ to C$ exchange rate.

Liquidity and Capital Resources

As at June 30, 2010, the Company had cash resources, consisting of cash and cash equivalents and short-term investments, of $40.4 million, a decrease of $3.0 million from the December 31, 2009 balance of $43.4 million. The Company's cash resources consist of Canadian and U.S. dollar denominated deposit accounts, guaranteed investment certificates, money market funds and certificates of deposit. During the three and six months ended June 30, 2010, the Company used $2.9 million and $6.5 million, respectively, of its cash resources to fund operating activities and $0.9 million and $1.2 million, respectively, for investing activities (excluding short term investment transactions). During both the three and six months ended June 30, 2010, the Company generated $4.8 million through financing activities. The remaining $0.6 million increase and $0.2 million decrease, respectively, related to the effects of foreign exchange rate changes on cash resources including short term investments.

The Company has financed its operations from its inception primarily through the issuance of equity securities and has no source of cash flow from operations. The Company does not expect to generate any cash resources from operations until it is successful in commencing production from its properties. Operating activities used $2.9 million and $6.5 million of cash resources during the three and six months ended June 30, 2010, respectively, as compared to $3.8 million and $8.8 million for the same periods in 2009. This is the result of an overall reduction in cash expenses for the period as discussed above combined with less cash being required to pay liabilities recorded at December 31, 2009 compared to the amount accrued at December 31, 2008 ($0.8 million difference). The Company received less interest income in 2010 due to lower average cash resource balances and lower interest rates.

During the three and six months ended June 30, 2010, the Company invested cash resources of $0.9 million and $1.2 million, respectively, in mineral properties, bonding deposits, capital assets and pre-construction activities related to plant design and equipment purchases at Lost Creek. The majority of these expenditures went toward pre-construction costs on the Lost Creek facility ($0.6 and $0.5 million, respectively).

During the three and six months ended June 30, 2010, the Company raised $5.0 million through a private placement of capital stock. The Company incurred $0.3 million in costs related to the placement for registration fees, legal expenses and placement agent commissions.

Financing Transactions

The Company maintains a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the Company's outstanding securities. The Rights Plan is intended to provide the Company's board of directors with adequate time to assess a take-over bid, to consider alternatives to a take-over bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide the Company's shareholders with adequate time to properly assess a take-over bid without undue pressure.

(Information as at July 28, 2010 unless otherwise noted)

The Company has a corporate credit card facility with a U.S. bank. This facility has an aggregate borrowing limit of US$250,000 and is used for corporate travel and incidental expenses. The Company has provided a letter of credit secured by a guaranteed investment certificate in the amount of $287,500 as collateral for this facility.

Outstanding Share Data

As of July 28, 2010, the Company had 98,949,781 common shares and 8,946,422 stock options outstanding.

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Financial Instruments and Other Instruments

The Company's cash and cash equivalents are composed of:

	As at June 30, 2010 $ (unaudited)	**As at December 31, 2009 $**
Cash on deposit at banks	302,167	308,918
Guaranteed investment certificates	287,500	287,500
Money market funds	29,742,672	25,564,505
Certificates of deposit	-	6,296,400
	30,332,339	32,457,323

The Company's short term investments are composed of:

	As at June 30, 2010 $ (unaudited)	**As at December 31, 2009 $**
Guaranteed investment certificates	1,458,836	2,342,637
Certificates of deposit	8,581,090	8,589,464
	10,039,926	10,932,101

(Information as at July 28, 2010 unless otherwise noted)

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, short term investments and bonding deposits. The Company's cash equivalents and short-term investments consist of Canadian dollar and U.S. dollar denominated guaranteed investment certificates and certificates of deposits. They bear interest at annual rates ranging from 0.3% to 2.25% and mature at various dates up to June 29, 2011. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately $7.3 million is covered by either the Canada Deposit Insurance Corporation or the Federal Deposit Insurance Corporation. Another $1.2 million is guaranteed by a Canadian provincial government; leaving approximately $34.7 million at risk should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets as of June 30, 2010 to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due.

The Company manages liquidity risk through regular cash flow forecasting of cash requirements to fund its exploration and development projects and operating costs.

As at June 30, 2010 the Company's liabilities consisted of accounts payable and accrued liabilities of $865,992, all of which are due within normal trade terms. Trade accounts payable are generally due within 30 days.

Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. Market risk arises as a result of the Company incurring a significant portion of its expenditures and a significant portion of its cash equivalents and short-term investments in U.S. dollars, and holding cash equivalents and short term investments which earn interest.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents and short term investments. The Company's objectives for managing its cash and cash equivalents are to ensure sufficient funds are maintained on hand at all times to meet day to day requirements and to place any amounts which are considered in excess of day to day requirements on short-term deposit with the Company's banks so that they earn interest. When placing amounts of cash and cash equivalents on short-term deposit, the Company only uses high quality commercial banks and ensures that access to the amounts placed can generally be obtained on short notice.

Currency risk

The Company makes expenditures in both the United States and Canada and is therefore exposed to risk from changes in these currency rates. In addition, the Company holds financial assets and liabilities in Canadian and U.S. dollars. The Company does not utilize any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates.

(Information as at July 28, 2010 unless otherwise noted)

At June 30, 2010, the Company had cash and cash equivalents, short term investments and bonding deposits of approximately US$34.5 million and had accounts payable of US$0.7 million which were denominated in U.S. dollars.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in foreign exchange rates would have on the net loss of the Company, based on the Company's net U.S. dollar denominated assets and liabilities at June 30, 2010. This sensitivity analysis assumes that changes in market interest rates do not cause a change in foreign exchange rates. This sensitivity analysis shows that a change of +/- 10% in U.S. dollar foreign exchange rate would have a +/- $3.5 million impact on net loss for the six months ended June 30, 2010. This impact is primarily as a result of the Company having cash and investment balances denominated in U.S. dollars and U.S. dollar denominated trade accounts payables. The financial position of the Company may vary at the time that a change in exchange rates occurs causing the impact on the Company's results to differ from that shown above.

The Company has also completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis assumes that changes in market foreign exchange rates do not cause a change in interest rates. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a +/- $0.2 million impact on net loss for the six months ended June 30, 2010. This impact is primarily as a result of the Company having cash and short-term investments invested in interest bearing accounts. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company's results to differ materially from that shown above.

Transactions with Related Parties

During the six months ended June 30, 2010 and 2009, the Company did not participate in any material transactions with related parties.

Proposed Transactions

As is typical of the mineral exploration and development industry, the Company is continually reviewing potential merger, acquisition, investment and venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

Critical Accounting Policies and Estimates

<u>Mineral Properties</u>

Acquisition costs of mineral properties are capitalized. When production commences, these costs will be amortized on the unit-of-production method based upon the estimated recoverable resource of the mineral property.

As of June 30, 2010, the current and long term price of uranium was approximately $42 and $59, respectively. This is a decline from $45 and $61 as of December 31, 2009. This decline was not significant enough to be considered an impairment indicator in the quarter. Management did not identify any other impairment indicators for any of the Company's mineral properties during the six months ended June 30, 2010.

Stock Based Compensation

The Company is required to record all equity instruments including warrants, restricted share units, compensation options and stock options at fair value in the financial statements. Management utilizes the Black-Scholes model to calculate the fair value of these equity instruments at the time they are issued. Use of the Black-Scholes model requires management to make estimates regarding the expected volatility of the Company's stock over the future life of the equity instrument, the estimate of the expected life of the equity instrument, the expected volatility of the Company's common shares, and the number of options that are expected to be forfeited. Determination of these estimates requires significant judgment and requires management to formulate estimates of future events based on a limited history of actual results.

Changes in Accounting Policies Including Initial Adoption

International Financial Reporting Standards / US GAAP

In addition to the rules of the Ontario Securities Commission, the Company is subject to the reporting requirements of the United States Securities and Exchange Commission ("SEC"). Under those rules, companies are allowed to submit their financial statements using a foreign GAAP (Canadian GAAP for Ur-Energy) or International Financial Reporting Standards ("IFRS") as long as they are considered a foreign private issuer ("FPI"). For Ur-Energy, the primary criterion to maintain its FPI status is the ownership of the majority of the Company's stock by non-United States investors. This is verified with the transfer agency during the second quarter of each year. If the Company loses its FPI status, it will have to file its statements with the SEC using US GAAP.

Management believes that it is likely that the Company will lose its FPI status at some point in the next few years, potentially as soon as 2011. Since the loss of FPI status would necessitate a change to US GAAP, management has concluded that it will adopt US GAAP rather than IFRS effective January 1, 2011. Instead of Canadian GAAP or IFRS, Canadian public companies that are listed in the United States are also permitted to prepare their financial statements in accordance with US GAAP. Consequently, the Company has discontinued its IFRS conversion project. The Company will therefore no longer report on the status of changing our accounting to IFRS as required under Canadian securities guidance.

Material differences between Canadian GAAP and US GAAP to date are reported in note 15 to our annual audited financial statements as filed on www.sedar.com. To date, the only material differences between the Company's Canadian GAAP financial statements and US GAAP have been:

a) The interest savings from the early extinguishment of our debt obligation on acquiring the Lost Creek and Lost Soldier properties. Under Canadian GAAP, the interest saving was recorded as a reduction in the carrying value of the mineral properties. Under US GAAP, the accrued but unpaid interest was recorded as a gain and included in income.

b) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. Under Canadian GAAP, we recorded the full amount of the proceeds received on issuance as capital stock in the balance sheet. Upon renouncing the income tax deductions, capital stock balance was reduced by the amount of the future income tax benefits recognized. For US GAAP, the proceeds on issuance of these shares were allocated between the offering of the shares and the sale of the tax benefit. The premium paid by the investor in excess of the fair value of non flow-through shares (determined by the exchange price at the close of day on the day before the issuance) was recognized as a liability at the time the shares were issued and the fair value of non flow-through shares (shares issued at the exchange price) recorded as capital stock. Upon renouncing the income tax deductions, the premium liability was re-characterized as deferred income taxes and the difference between the full deferred income tax liability related to the renounced tax deductions and the premium previously recognized was recorded as an income tax expense or benefit.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this MD&A, under the supervision of the Chief Executive Officer and the Chief Financial Officer, the Company evaluated the effectiveness of its disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that are filed or submitted under the Exchange Act: (1) is recorded, processed and summarized effectively and reported within the time periods specified in SEC rules and forms, and (2) is accumulated and communicated to Company management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's disclosure controls and procedures include components of internal control over financial reporting. No matter how well designed and operated, internal controls over financial reporting can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

Management's Report on Internal Control over Financial Reporting

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, the Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting as of December 31, 2009 based on the framework set forth in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, Company management concluded that, as of December 31, 2009, the Company's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the six months ended June 30, 2010 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. Investment in the natural resource industry in general, and the exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in our Annual Report on Form 20-F (Annual Information Form) dated March 5, 2010 which is filed on SEDAR at www.sedar.com (March 11, 2010) and on the U.S. Securities and Exchange Commission's website at www.sec.gov. (March 12, 2010).

Other Information

Other information relating to the Company may be found on the SEDAR website at www.sedar.com or on the U.S. Securities and Exchange Commission's website at www.sec.gov.

Directors and Officers

Jeffrey T. Klenda, B.A. – Chairman and Executive Director
W. William Boberg, M. Sc., P. Geo. – President, Chief Executive Officer and Director
James M. Franklin, PhD, FRSC, P. Geo. –Director and Technical Committee Chair
Paul Macdonell, Diploma Public Admin. – Director and Compensation Committee Chair
Thomas Parker, M. Sc., P.E. – Director and Audit Committee Chair
Harold A. Backer, B. Sc. – Executive Vice President Geology and Exploration
Wayne W. Heili, B. Sc. – Vice President, Mining and Engineering
Paul W. Pitman, B. Sc. Hon. Geo., P. Geo. – Vice President, Canadian Exploration
Roger L. Smith, CPA, MBA – Chief Financial Officer and Vice President Finance, IT & Administration
Paul G. Goss, J.D., MBA – General Counsel and Corporate Secretary

Corporate Offices

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Wyoming Operations Office: 5880 Enterprise Drive, Suite 200 Casper, Wyoming 82609 Phone: (307) 265-2373	*Registered Canadian Office:* 55 Metcalfe Street, Suite 1300 Attn: Virginia K. Schweitzer Ottawa, Ontario K1P 6L5 Phone: (613) 236-3882

(Information as at July 28, 2010 unless otherwise noted)

Website
www.ur-energy.com

Trading Symbols
NYSE Amex: URG
TSX: URE

Independent Auditors
PricewaterhouseCoopers LLP, Vancouver

Corporate Legal Counsel
Fasken Martineau DuMoulin LLP, Ottawa

Corporate Banker
Royal Bank of Canada, Ottawa

Transfer Agent
Computershare Investor Services Inc., Toronto
Computershare Trust Company N.A. (U.S. Co-Transfer Agent and Co-Registrar), Golden, CO