January 19, 2016

Ur-Energy Issues Updated Preliminary Economic Assessment for Lost Creek Property Life of Mine Extended to 2031

LITTLETON, Colo., Jan. 19, 2016 /PRNewswire/ --**Ur-Energy Inc.** (NYSE MKT:URG, TSX:URE)("Ur-Energy" or the "Company") is pleased to announce the completion of an updated Preliminary Economic Assessment ("PEA") for its Lost Creek Property in Sweetwater County, Wyoming, which confirms the increase in mineral resources previously announced, *see* News Release December 7, 2015. The PEA also serves to update the economic analyses for the Property (December 2013), and replaces the most recent Canadian National Instrument 43-101 (NI 43-101) Technical Report on the Lost Creek Property, dated June 17, 2015, prepared by TREC, Inc. (TREC).

The primary purpose of this PEA is to confirm the updated mineral resource estimate prompted by 2015 drilling within Lost Creek's Mine Unit 2 (MU2) and exploratory drilling at the Lost Creek and LC East Projects. Also included in this estimate is an increase to the overall Property resource total through a re-estimation of all previously-identified resources at a revised 0.20 grade-thickness (GT) cut-off.

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 in the Inferred category. 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), or 31% increase when compared with the previous resource estimate in the June 17, 2015 Technical Report; and
- 1.402 million pounds eU_3O_8 in the Inferred category, or a 28% increase to the last mineral resource.

The economic analyses within this PEA continue to demonstrate the potential economic viability of the project. The analyses 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. Total future life of mine production is modeled to be 13.8 million pounds and with production operations ending in 2031. This represents a nine year life of mine extension from the forecast contained in the previous PEA.

James Bonner, Vice President, Ur-Energy commented, "We are very pleased with the continued growth and development of the Lost Creek mineral resource. Incorporation of data from existing wellfield pattern drilling and over two years of operations experience gives us a high level of confidence in these mineral resource estimates, and their impact to extend the life of mine at this low-cost producing facility."

The updated resource estimate is summarized here:

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 economic analyses presented in the PEA provide both pre- and post-income tax data. This analysis estimates the Project will generate net cash flow over its life of US$510.9 million (before tax) and US$409.0 million (after taxes). A summary of the economic

analyses is presented here:

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	lbs 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.

This PEA for the Lost Creek Property has been prepared for Ur-Energy by TREC, Inc., in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. Completion of this PEA was under the direction of Mr. Douglass H. Graves, P.E., representing TREC 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. Messrs. Graves and Bonner, Qualified Persons, have reviewed and approved the technical disclosure contained in this news release.

The full report titled "***Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming"*** dated January 19, 2016, is available on the Company's profile on SEDAR (www.sedar.com) and is also available on the Company's website at www.urenergy.com.

Cautionary statement: This 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. The estimated mineral recovery used in this Preliminary Economic Assessment is based on recovery data from wellfield operations to date, as well as URE personnel and industry experience at similar facilities. There can be no assurance that recovery at this level will be achieved.

About Ur-Energy

Ur-Energy is a 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 design capacity. Shirley Basin, our newest project, is one of the Pathfinder Mines assets we acquired in 2013. Applications for permits and licenses to

operate Shirley Basin have begun to be submitted to regulators. 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." 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.

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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.,* the technical and economic viability of the Lost Creek Property and other projections, as well as the mineral resource estimates contained in the PEA; further development of the resources to be a part of production at Lost Creek; the minability and scalability of the project on a continuing, sustained basis at current and anticipated costs; timing and ability to advance all regulatory authorizations for the Property) 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; 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.

Cautionary Note to U.S. Investors: The terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" as used in this news release are Canadian mining terms that are defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). These Canadian terms are not defined terms under United States Securities and Exchange Commission ("SEC") Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC by U.S. registered companies. The SEC permits U.S. companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. Accordingly, note that information contained in this news release describing the Company's "mineral resources" is not directly comparable to information made public by U.S. companies subject to reporting requirements under U.S. securities laws. **U.S. investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into Mineral Reserves.** U.S. investors are urged to consider closely the disclosure in our Form 10-K

which may be secured from us, or online at http://www.sec.gov/edgar.shtml.

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To view the original version on PR Newswire, visit:http://www.prnewswire.com/news-releases/ur-energy-issues-updated-preliminary-economic-assessment-for-lost-creek-property-life-of-mine-extended-to-2031-300206621.html

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