UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD OF _________ TO _________.

Commission File Number: 001-33905

UR-ENERGY INC.

(Exact name of registrant as specified in its charter)

Canada	**Not Applicable**
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

10758 West Centennial Road, Suite 200
Littleton, Colorado 80127
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **720-981-4588**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Trading Symbol**	**Name of each exchange on which registered:**
Common stock	URG (NYSE American); URE (TSX)	NYSE American; TSX

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	☐	Non-accelerated filer	☒
Accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 28, 2021, there were 195,407,043 shares of the registrant's no par value Common Shares ("Common Shares"), the registrant's only outstanding class of voting securities, outstanding.

UR-ENERGY INC.

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PART II - OTHER INFORMATION

When we use the terms "Ur-Energy," "we," "us," or "our," or the "Company" we are referring to Ur-Energy Inc. and its subsidiaries, unless the context otherwise requires. Throughout this document we make statements that are classified as "forward-looking." Please refer to the "Cautionary Statement Regarding Forward-Looking Statements" section below for an explanation of these types of assertions.

Cautionary Statement Regarding Forward-Looking Information

This report on Form 10-Q contains "forward-looking statements" within the meaning of applicable United States ("U.S.") and Canadian securities laws, and these forward-looking statements can be identified 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 our 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) the ability to maintain safe and compliant reduced-level production operations at Lost Creek; (ii) the timing to determine future development and construction priorities at Lost Creek and Shirley Basin, and the ability to ramp-up and transition to full or other warranted production levels in a timely and cost-effective manner when market and other conditions warrant; (iii) life of mine, costs and production results for each project; (iv) the timing and outcome of final regulatory approvals of the amendments for uranium recovery at the LC East Project; (v) the ability to complete additional favorable uranium sales agreements including spot sales if the market warrants and as may be advantageous to the Company; (vi) the impacts of COVID 19 on our business, operations, and financial liquidity, and the impacts of the pandemic directly and indirectly on the uranium market; (vii) resolution of the continuing challenges within the uranium market, including supply and demand projections; (viii) the timing and impact of implementation of the national uranium reserve program and the Company's role in the program; (ix) timing for implementation of other recommendations made by the United States Nuclear Fuel Working Group for the revival and expansion of domestic nuclear fuel production, and whether the Biden Administration will incorporate nuclear energy and domestic production of uranium into its climate change initiatives; (x) whether the proposed transaction of certain non-core assets will be completed, on what terms and timing; and (xi) whether our financing activities and cost-savings measures which we have implemented will be sufficient to support our operations and for what period of time, including whether we will sell any of our existing inventory in 2021. Additional factors include, among others, the following: challenges presented by current inventories and largely unrestricted imports of uranium products into the U.S.; future estimates for production; capital expenditures; operating costs; mineral resources, grade estimates and recovery rates; market prices; business strategies and measures to implement such strategies; competitive strengths; estimates of goals for expansion and growth of the business and operations; plans and references to our future successes; our history of operating losses and uncertainty of future profitability; status as an exploration stage company; the lack of mineral reserves; risks associated with obtaining permits and other authorizations in the U.S.; risks associated with current variable economic conditions; our ability to service our debt and maintain compliance with all restrictive covenants related to the debt facility and security documents; the possible impact of future debt or equity financings; the hazards associated with mining production operations; compliance with environmental laws and regulations; wastewater management; the possibility for adverse results in potential litigation; uncertainties associated with changes in law, government policy and regulation; uncertainties associated with a Canada Revenue Agency or U.S. Internal Revenue Service audit of any of our cross border transactions; changes in size and structure; the effectiveness of management and our strategic relationships; ability to attract and retain key personnel and management; uncertainties regarding the need for additional capital; sufficiency of insurance coverages; uncertainty regarding the fluctuations of quarterly results; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the U.S.; ability to maintain our listing on the NYSE American and Toronto Stock Exchange ("TSX"); risks associated with the expected classification as a "passive foreign investment company" under the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended; risks associated with our investments and other risks and uncertainties described under the heading "Risk Factors" in our Annual Report on Form 10-K, dated February 26, 2021.

Cautionary Note to U.S. Investors Concerning Disclosure of Mineral Resources

Unless otherwise indicated, all resource estimates included in this Form 10-Q have been prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves ("CIM Definition Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the U.S. Securities and Exchange Commission ("SEC"), and resource information contained in this Form 10-Q may not be comparable to similar information disclosed by U.S. companies. In particular, the term "resources" does not equate to the term "reserves." Under SEC Industry Guide 7, 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. SEC Industry Guide 7 does not define and the SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources," "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal 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, estimated "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 or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with U.S. standards.

NI 43-101 Review of Technical Information: Michael Mellin, Ur-Energy / Lost Creek Mine Geologist, Certified P.Geo., and Qualified Person as defined by NI 43-101, reviewed and approved the technical information contained in this Form 10-Q.

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PART I

Item 1. FINANCIAL STATEMENTS

Ur-Energy Inc.
Unaudited Consolidated Balance Sheets
(expressed in thousands of U.S. dollars)
(the accompanying notes are an integral part of these consolidated financial statements)

	Note	June 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents	3	21,491	4,268
Accounts receivable		5	-
Prepaid expenses		1,060	814
Assets held for sale	4	2,413	-
Total current assets		24,969	5,082
Non-current assets			
Non-current portion of inventory	5	7,922	7,814
Restricted cash	6	7,860	7,859
Mineral properties	7	35,754	39,184
Capital assets	8	21,004	21,891
Total non-current assets		72,540	76,748
Total assets		**97,509**	**81,830**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9	2,680	2,320
Current portion of notes payable	10	-	459
Current portion of warrant liability	12	2,146	729
Environmental remediation accrual		76	76
Liabilities associated with assets held for sale	4	875	-
Total current liabilities		5,777	3,584
Non-current liabilities			
Notes payable	10	12,300	12,720
Lease liability		16	50
Asset retirement obligations	11	29,336	29,965
Warrant liability	12	8,486	1,415
Total non-current liabilities		50,138	44,150
Shareholders' equity			
Share capital	13	211,128	189,620
Contributed surplus		20,934	20,946
Accumulated other comprehensive income		3,960	3,707
Accumulated deficit		(194,428)	(180,177)
Total shareholders' equity		41,594	34,096
Total liabilities and shareholders' equity		**97,509**	**81,830**

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Ur-Energy Inc.
Unaudited Consolidated Statements of Operations and Comprehensive Loss
(expressed in thousands of U.S. dollars, except per share data)
(the accompanying notes are an integral part of these consolidated financial statements)

	Note	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Sales	14	7	6,934	7	8,304
Cost of sales	15	(1,835)	(6,517)	(3,508)	(9,622)
Gross profit (loss)		**(1,828)**	**417**	**(3,501)**	**(1,318)**
Operating costs	16	(2,777)	(2,227)	(4,589)	(4,289)

Profit (loss) from operations		**(4,605)**	**(1,810)**	**(8,090)**	**(5,607)**
Net interest expense		(187)	(195)	(376)	(327)
Warrant liability mark to market gain (loss)	12	(2,920)	(231)	(6,324)	42
Foreign exchange gain (loss)		(71)	(8)	(367)	7
Other income (expense)	10	904	17	906	17
Net income (loss)		**(6,879)**	**(2,227)**	**(14,251)**	**(5,868)**
Foreign currency translation adjustment		34	4	253	31
Comprehensive income (loss)		**(6,845)**	**(2,223)**	**(13,998)**	**(5,837)**
Income (loss) per common share:					
Basic		(0.04)	(0.02)	(0.08)	(0.04)
Diluted		(0.04)	(0.02)	(0.08)	(0.04)
Weighted average common shares:					
Basic		190,240,544	160,478,059	186,089,756	160,478,059
Diluted		190,240,544	160,478,059	186,089,756	160,478,059

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Ur-Energy Inc.
Unaudited Consolidated Statements of Changes in Shareholders' Equity

(expressed in thousands of U.S. dollars, except share data)
(the accompanying notes are an integral part of these consolidated financial statements)

Six months ended June 30, 2020	Note	Share Capital Shares	Share Capital Amount	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Shareholders' Equity
December 31, 2019		**160,478,059**	**185,754**	**-**	**20,317**	**3,654**	**(165,392)**	**44,333**
Stock compensation		-	-	-	234	-	-	234
Comprehensive income (loss)		-	-	-	-	27	(3,641)	(3,614)
March 31, 2020		**160,478,059**	**185,754**	**-**	**20,551**	**3,681**	**(169,033)**	**40,953**
Stock compensation		-	-	-	230	-	-	230
Comprehensive income (loss)		-	-	-	-	4	(2,227)	(2,223)
June 30, 2020		**160,478,059**	**185,754**	**-**	**20,781**	**3,685**	**(171,260)**	**38,960**

Six months ended June 30, 2021	Note	Share Capital Shares	Share Capital Amount	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Shareholders' Equity
December 31, 2020		**170,253,752**	**189,620**	**-**	**20,946**	**3,707**	**(180,177)**	**34,096**
Exercise of stock options	13	1,723,818	1,540	-	(462)	-	-	1,078
Exercise of warrants	13	481,000	551	-	-	-	-	551
Shares issued for cash	13	16,930,530	15,068	169	-	-	-	15,237
Less amount assigned to warrant liablity	12 & 13	-	(2,435)	(169)	-	-	-	(2,604)
Less share issue costs	13	-	(1,307)	-	-	-	-	(1,307)
Stock compensation		-	-	-	231	-	-	231
Comprehensive income (loss)		-	-	-	-	219	(7,372)	(7,153)
March 31, 2021		**189,389,100**	**203,037**	**-**	**20,715**	**3,926**	**(187,549)**	**40,129**
Exercise of stock options	13	160,000	134	-	(40)	-	-	94
Exercise of warrants	13	825,637	1,245	-	-	-	-	1,245
Shares issued for cash	13	4,423,368	6,930	-	-	-	-	6,930
Less share issue costs	13	-	(218)	-	-	-	-	(218)
Stock compensation		-	-	-	259	-	-	259
Comprehensive income (loss)		-	-	-	-	34	(6,879)	(6,845)
June 30, 2021		194,798,105	211,128	-	20,934	3,960	(194,428)	41,594

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Ur-Energy Inc.
Unaudited Consolidated Statements of Cash Flow

(expressed in thousands of U.S. dollars)
(the accompanying notes are an integral part of these consolidated financial statements)

	Note	Six months ended June 30, 2021	2020
Cash provided by (used for):			
Operating activities			
Net income (loss) for the year		(14,251)	(5,868)
Items not affecting cash:			
Stock based compensation		490	464
Net realizable value adjustments		3,508	4,456
Amortization of mineral properties		1,017	1,254
Depreciation of capital assets		892	910
Accretion expense		246	288
Amortization of deferred loan costs		24	35
Gain on loan forgiveness		(903)	-
Provision for reclamation		-	3
Mark to market loss (gain)		6,324	(42)
Gain on sale of assets		-	(16)
Unrealized foreign exchange loss (gain)		369	(7)
Accounts receivable		(5)	14
Inventory		(3,616)	(4,515)
Prepaid expenses		(246)	(67)
Accounts payable and accrued liabilities		360	36
		(5,791)	**(3,055)**
Investing activities			
Decrease (increase) in bonding and other deposits		-	(5)
Proceeds from sale of capital assets		-	18
Purchase of capital assets		(39)	(34)
		(39)	**(21)**
Financing activities			
Issuance of common shares and warrants for cash	13	22,167	-
Share issue costs	13	(1,525)	-
Proceeds from exercise of warrants and stock options		2,359	-
Proceeds from debt financing	10	-	893
		23,001	**893**
Effects of foreign exchange rate changes on cash		**53**	**(2)**
Increase (decrease) in cash, cash equivalents, and restricted cash		17,224	(2,185)
Beginning cash, cash equivalents, and restricted cash		12,127	15,215
Ending cash, cash equivalents, and restricted cash	17	**29,351**	**13,030**

Ur-Energy Inc.
Condensed Notes to Unaudited Consolidated Financial Statements
June 30, 2021
(expressed in thousands of U.S. dollars unless otherwise indicated)

1. Nature of Operations

Ur-Energy Inc. (the "Company") was incorporated on March 22, 2004 under the laws of the Province of Ontario. The Company continued under the Canada Business Corporations Act on August 8, 2006. The Company is an Exploration Stage mining company, as defined by United States Securities and Exchange Commission ("SEC"). The Company is engaged in uranium mining and recovery operations, with activities including the acquisition, exploration, development, and production of uranium mineral resources located primarily in Wyoming. The Company commenced uranium production at its Lost Creek Project in Wyoming in 2013.

Due to the nature of the uranium mining methods 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, Metallurgy and Petroleum ("CIM") Definition Standards, the Company has not determined whether the properties contain mineral reserves. However, the Company's "*Amended Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming,*" February 8, 2016 ("Lost Creek PEA") outlines the potential viability of the Lost Creek Property. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economic resources, the ability of the Company to obtain the necessary financing to develop the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

2. Summary of Significant Accounting Policies

Basis of presentation

These unaudited consolidated financial statements do not conform in all respects to the requirements of U.S. generally accepted accounting principles ("US GAAP") for annual financial statements. These unaudited consolidated financial statements reflect all normal adjustments which in the opinion of management are necessary for a fair presentation of the results for the periods presented. These unaudited consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020. We applied the same accounting policies as in the prior year. Certain information and footnote disclosures required by US GAAP have been condensed or omitted in these unaudited consolidated financial statements.

(expressed in thousands of U.S. dollars unless otherwise indicated)

3. Cash and Cash Equivalents

The Company's cash and cash equivalents consist of the following:

Cash and cash equivalent	June 30, 2021	December 31, 2020
Cash on deposit	10,034	852
Money market funds	11,457	3,416
	21,491	**4,268**

4. Assets Held for Sale

A non-core, unpermitted, non-operating property held by Pathfinder Mines Corporation is presently considered to be an asset held for sale. The Company has a plan to sell the asset and is considering an offer consisting of cash and mineral properties. The asset's mineral property cost and asset retirement obligation as shown in the table below have accordingly been reclassified as assets held for sale and liabilities associated with assets held for sale, respectively, as of June 30, 2021.

Assets and liabilities held for sale	June 30, 2021	December 31, 2020
Assets held for sale		
Mineral properties	2,413	-
Liabilities associated with assets held for sale		
Asset retirement obligations	875	-
Net assets held for sale	1,538	-

5. Inventory

The Company's inventory consists of the following:

Inventory by Type	June 30, 2021	December 31, 2020
Plant inventory	-	463
Conversion facility inventory	7,922	7,351
	7,922	**7,814**

Inventory by Duration	June 30, 2021	December 31, 2020
Non-current portion of inventory	7,922	7,814
	7,922	**7,814**

Using lower of cost or net realizable value ("NRV") calculations, the Company reduced the inventory valuation by $3,508 and $7,802 for the six months ended June 30, 2021 and the year ended December 31, 2020, respectively.

6. Restricted Cash

The Company's restricted cash consists of the following:

Restricted Cash	June 30, 2021	December 31, 2020
Cash pledged for reclamation	7,860	7,859
	7,860	**7,859**

The Company's restricted cash consists of money market accounts and short-term government bonds.

The bonding requirements for reclamation obligations on various properties have been reviewed and approved by the Wyoming Department of Environmental Quality ("WDEQ"), including the Wyoming Uranium Recovery Program ("URP"), and the Bureau of Land Management ("BLM") as applicable. The restricted money market accounts are pledged as collateral against performance surety bonds, which secure the estimated costs of reclamation related to the properties. Surety bonds providing $27.8 million of coverage towards reclamation obligations are collateralized by the restricted cash

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7. Mineral Properties

The Company's mineral properties consist of the following:

Mineral Properties	Lost Creek Property	Pathfinder Mines	Other U.S. Properties	Total
December 31, 2020	**6,276**	**19,730**	**13,178**	**39,184**
Reclassify assets held for sale (note 4)	-	(2,413)	-	(2,413)
Depletion and amortization	(1,017)	-	-	(1,017)
June 30, 2021	**5,259**	**17,317**	**13,178**	**35,754**

Lost Creek Property

The Company acquired certain Wyoming properties in 2005 when Ur-Energy USA Inc. purchased 100% of NFU Wyoming, LLC. Assets acquired in this transaction include the Lost Creek Project, other Wyoming properties and development databases. NFU Wyoming, LLC was acquired for aggregate consideration of $20 million plus interest. Since 2005, the Company has increased its holdings adjacent to the initial Lost Creek acquisition through staking additional claims and making additional property purchases and leases.

There is a royalty on each of the State of Wyoming sections under lease at the Lost Creek, LC West and EN Projects, as required by law. We are not recovering U_3O_8 within the State section under lease at Lost Creek and are therefore not subject to royalty payments currently. Other royalties exist on certain mining claims at the LC South, LC East and EN Projects. There are no royalties on the mining claims in the Lost Creek, LC North or LC West Projects.

Pathfinder Mines

The Company acquired additional Wyoming properties when Ur-Energy USA Inc. closed a Share Purchase Agreement ("SPA") with an AREVA Mining affiliate in December 2013. Under the terms of the SPA, the Company purchased Pathfinder Mines Corporation ("Pathfinder"). Assets acquired in this transaction include the Shirley Basin mine, portions of the Lucky Mc mine, machinery and equipment, vehicles, office equipment, and development databases. Pathfinder was acquired for aggregate consideration of $6.7 million, the assumption of $5.7 million in estimated asset reclamation obligations, and other consideration. A non-core, unpermitted, non-operating property held by Pathfinder is presently considered to be an asset held for sale (see note 4).

Other U.S. properties

Other U.S. properties include the acquisition costs of several prospective mineralized properties, which the Company continues to maintain through claim payments, lease payments, insurance, and other holding costs in anticipation of future exploration efforts.

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Ur-Energy Inc.
Condensed Notes to Unaudited Consolidated Financial Statements
June 30, 2021
(expressed in thousands of U.S. dollars unless otherwise indicated)

8. Capital Assets

The Company's capital assets consist of the following:

	June 30, 2021			December 31, 2020		
Capital Assets	**Cost**	**Accumulated Depreciation**	**Net Book Value**	**Cost**	**Accumulated Depreciation**	**Net Book Value**
Rolling stock	3,450	(3,392)	58	3,450	(3,369)	81
Enclosures	33,008	(12,661)	20,347	33,008	(11,834)	21,174
Machinery and equipment	1,448	(918)	530	1,446	(885)	561
Furniture and fixtures	119	(119)	-	119	(119)	-
Information technology	1,160	(1,107)	53	1,123	(1,098)	25
Right of use assets	109	(93)	16	165	(115)	50
	39,294	(18,290)	21,004	39,311	(17,420)	21,891

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

Accounts Payable and Accrued Liabilities	June 30, 2021	December 31, 2020

(expressed in thousands of U.S. dollars unless otherwise indicated)

Accounts payable	652	396
Accrued payroll liabilities	1,829	1,767
Accrued severance, ad valorem, and other taxes payable	199	157
	2,680	2,320

10. Notes Payable

On October 15, 2013, the Sweetwater County Commissioners approved the issuance of a $34.0 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond (Lost Creek Project), Series 2013 (the "Sweetwater IDR Bond") to the State of Wyoming, acting by and through the Wyoming State Treasurer, as purchaser. On October 23, 2013, the Sweetwater IDR Bond was issued, and the proceeds were in turn loaned by Sweetwater County to Lost Creek ISR, LLC pursuant to a financing agreement dated October 23, 2013 (the "State Bond Loan"). The State Bond Loan calls for payments of interest at a fixed rate of 5.75% per annum on a quarterly basis commencing January 1, 2014. The principal was to be paid in 28 quarterly installments commencing January 1, 2015.

On October 1, 2019, the Sweetwater County Commissioners and the State of Wyoming approved an eighteen month deferral of principal payments beginning October 1, 2019. On October 6, 2020, the State Bond Loan was again modified to defer principal payments for an additional eighteen months. Quarterly principal payments are scheduled to resume on October 1, 2022 and the last payment will be due on October 1, 2024.

On April 16, 2020, we obtained two Small Business Administration ("SBA") Paycheck Protection Program ("PPP") loans (one for each of our subsidiaries with U.S. payroll obligations) through the Bank of Oklahoma Financial ("BOKF"). The program was a part of the CARES Act enacted by Congress March 27, 2020 in response to the COVID-19 (Coronavirus) pandemic. The combined loan amount was $0.9 million.

On June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 (the "Flexibility Act") became law. The Flexibility Act changes key provisions of the PPP, including maturity of the loans, deferral of loan payments, and the forgiveness of the PPP loans, with revisions being retroactive to the date of the CARES Act.

Under the program, as modified by the Flexibility Act and SBA and Treasury rulemakings, the repayment of our loans, including interest, would be forgiven based on eligible payroll, payroll-related, and other allowable costs incurred in a twenty-four-week period following the funding of the loans. To have the full amount of the loans forgiven, the following requirements must be met within that period, and be sufficiently documented in the application for forgiveness:

(1) Spend not less than 60% of loan proceeds on eligible payroll costs.

(2) Spend the remaining loan proceeds on:

  a. additional eligible payroll costs above 60%;
  b. payments of interest on mortgage obligations incurred before February 15, 2020;
  c. rent payments on leases dated before February 15, 2020; and/or
  d. utility payments under service agreements dated before February 15, 2020.

(3) Maintain employee compensation levels (subject to specific program requirements).

For any portion of the loans that is not forgiven, the program provides for an initial deferral of payments based upon the timing of a borrower's application for forgiveness and SBA's action on the application up to a maximum of ten months after the use and forgiveness covered period ends (July 30, 2021). In December 2020, we applied for loan forgiveness with the BOKF. The BOKF, after reviewing the loan forgiveness applications, submitted them to the SBA for approval. The Company received notifications in Q2 that the principal amount of $893 thousand and accrued interest of approximately $10 thousand were forgiven under the terms of the PPP. This was treated as a forgiveness of debt on the Consolidated Statements of Operations for the three-months ended June 30, 2021 and a $903 thousand gain on debt forgiveness was recognized in other income.

The following table summarizes the Company's current and long-term debts.

Current and Long-term Debt	June 30, 2021	December 31, 2020
Current		
Small Business Administration PPP Loans	-	502
State Bond Loan	-	-
Deferred financing costs	-	(43)
	-	**459**
Long-term		
Small Business Administration PPP Loans	-	398

(expressed in thousands of U.S. dollars unless otherwise indicated)

State Bond Loan	12,441	12,441
Deferred financing costs	(141)	(119)
	12,300	**12,720**

The schedule of remaining payments on outstanding debt as of June 30, 2021 is presented below.

Remaining Payments	Total	2021	2022	2023	2024	Final payment
State Bond Loan						
Principal	12,441	-	2,628	5,487	4,326	Oct-2024
Interest	1,627	358	697	447	125	
Total	**14,068**	**358**	**3,325**	**5,934**	**4,451**	

11. Asset Retirement Obligations

Asset retirement obligations ("ARO") relate to the Lost Creek mine and Pathfinder projects and are equal to the current estimated reclamation cost escalated at inflation rates ranging from 0.74% to 2.44% and then discounted at credit adjusted risk-free rates ranging from 0.33% to 7.25%. Current estimated reclamation costs include costs of closure, reclamation, demolition and stabilization of the well fields, processing plants, infrastructure, aquifer restoration, waste dumps, and ongoing post-closure environmental monitoring and maintenance costs. The schedule of payments required to settle the future reclamation extends through 2033.

The present value of the estimated future closure estimate is presented in the following table.

Asset Retirement Obligations	Total
December 31, 2020	**29,965**
Reclassify liabilities associated with assets held for sale (note 4)	(875)
Accretion expense	246
June 30, 2021	**29,336**

The restricted cash discussed in note 6 relates to the surety bonds provided to the governmental agencies for these obligations.

A non-core, unpermitted, non-operating property held by Pathfinder is presently considered to be an asset held for sale (see note 4).

12. Warrant Liability

In September 2018, we issued 13,062,878 warrants as part of an underwritten public offering with two warrants redeemable for one Common Share of the Company's stock at a price of $1.00 per full share. The warrants expire in September 2021.

In August 2020, we issued 9,000,000 warrants as part of a registered direct offering with two warrants redeemable for one Common Share of the Company's stock at a price of $0.75 per full share. The warrants expire in August 2022.

In February 2021, we issued 16,930,530 warrants as part of an underwritten public offering with two warrants redeemable for one Common Share of the Company's stock at a price of $1.35 per full share. The warrants expire in February 2024.

Because the warrants are priced in U.S. dollars and the functional currency of Ur-Energy Inc. is Canadian dollars, a derivative financial liability was created. The liability created, and adjusted quarterly, is calculated using the Black-Scholes technique described below as there is no active market for the warrants. Any gain or loss from the adjustment of the liability is reflected in net income for the period.

The Company's warrant liabilities consist of the following:

Warrant Liability Activity	Sep-2018 Warrants	Aug-2020 Warrants	Feb-2021 Warrants	Total
December 31, 2020	**729**	**1,415**	**-**	**2,144**
Warrants issued	-	-	2,604	**2,604**
Warrants exercised	(419)	(190)	-	**(609)**
Mark to market revaluation loss (gain)	1,792	1,670	2,862	**6,324**
Effects for foreign exchange rate changes	44	38	87	**169**
June 30, 2021	**2,146**	**2,933**	**5,553**	**10,632**

(expressed in thousands of U.S. dollars unless otherwise indicated)

Warrant Liability Duration	Sep-2018 Warrants	Aug-2020 Warrants	Feb-2021 Warrants	Total
Current portion of warrant liability	2,146	-	-	2,146
Warrant liability	-	2,933	5,553	8,486
June 30, 2021	**2,146**	**2,933**	**5,553**	**10,632**

The fair value of the warrant liabilities on June 30, 2021 was determined using the Black-Scholes model with the following assumptions:

Black-Scholes Assumptions at June 30, 2021	Sep-2018 Warrants	Aug-2020 Warrants	Feb-2021 Warrants
Expected forfeiture rate	0.0%	0.0%	0.0%
Expected life (years)	0.2	1.1	2.6
Expected volatility	72.3%	78.1%	75.6%
Risk free rate	0.4%	0.4%	0.6%
Expected dividend rate	0.0%	0.0%	0.0%
Exercise price	$1.00	$0.75	$1.35
Market price	$1.41	$1.41	$1.41

13. Shareholders' Equity and Capital Stock

Common shares

The Company's share capital consists of an unlimited amount of Class A preferred shares authorized, without par value, of which no shares are issued and outstanding; and an unlimited amount of common shares authorized, without par value, of which 194,798,105 shares and 170,253,752 shares were issued and outstanding as of June 30, 2021 and December 31, 2020, respectively.

On February 4, 2021, the Company closed an underwritten public offering of 14,722,200 common shares and accompanying warrants to purchase up to 7,361,100 common shares, at a combined public offering price of $0.90 per common share and accompanying warrant. The warrants will have an exercise price of $1.35 per whole common share and will expire three years from the date of issuance. Ur-Energy also granted the underwriters a 30-day option to purchase up to an additional 2,208,330 common shares and warrants to purchase up to 1,104,165 common shares on the same terms. The option was exercised in full. Including the exercised option, Ur-Energy issued a total of 16,930,530 common shares and 16,930,530 warrants to purchase up to 8,465,265 common shares. The gross proceeds to Ur-Energy from this offering were approximately $15.2 million. After fees and expenses of $1.3 million, net proceeds to the Company were approximately $13.9 million.

Stock options

In 2005, the Company's Board of Directors approved the adoption of the Company's stock option plan (the "Option Plan"). The Option Plan was most recently approved by the shareholders on May 7, 2020. Eligible participants under the Option Plan include directors, officers, employees, and consultants of the Company. Under the terms of the Option Plan, grants of options will vest over a three-year period: 33.3% on the first anniversary, 33.3% on the second anniversary, and 33.4% on the third anniversary of the grant. The term of the options is five years.

Activity with respect to stock options is summarized as follows:

Stock Option Activity	Outstanding Options	Weighted-average exercise price
December 31, 2020	**11,910,424**	**$ 0.61**
Exercised	(1,883,818)	0.63
Forfeited	(219,055)	0.56
June 30, 2021	**9,807,551**	**$ 0.62**

The exercise price of a new grant is set at the closing price for the shares on the Toronto Stock Exchange (TSX) on the trading day immediately preceding the grant date and there is no intrinsic value as of the date of grant.

We received $1.2 million from options exercised in the six months ended June 30, 2021. No options were exercised in the six months ended June 30, 2020.

(expressed in thousands of U.S. dollars unless otherwise indicated)

Stock-based compensation expense from stock options was $0.3 million and $0.3 million for the six months ended June 30, 2021 and 2020, respectively.

As of June 30, 2021, there was approximately $0.8 million unamortized stock-based compensation expense related to the Option Plan. The expenses are expected to be recognized over the remaining weighted-average vesting period of 1.9 years under the Option Plan.

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As of June 30, 2021, outstanding stock options are as follows:

	Options outstanding			Options exercisable			
Exercise price	**Number of options**	**Weighted-average remaining contractual life (years)**	**Aggregate intrinsic value**	**Number of options**	**Weighted-average remaining contractual life (years)**	**Aggregate intrinsic value**	**Expiry**
$	#		$	#		$	
0.59	924,470	0.5	749,981	924,470	0.5	749,981	2021-12-16
0.59	200,000	1.2	162,251	200,000	1.2	162,251	2022-09-07
0.73	1,541,751	1.5	1,039,371	1,541,751	1.5	1,039,371	2022-12-15
0.62	200,000	1.7	155,799	200,000	1.7	155,799	2023-03-30
0.75	834,240	2.1	542,218	532,584	2.1	346,156	2023-08-20
0.73	726,674	2.5	484,027	477,562	2.5	318,097	2023-12-14
0.64	2,555,926	3.4	1,949,826	851,978	3.4	649,944	2024-11-05
0.51	2,824,490	4.4	2,519,177	-	-	-	2025-11-13
0.62	**9,807,551**	**2.8**	**7,602,650**	**4,728,345**	**1.8**	**3,421,599**	

The aggregate intrinsic value of the options in the preceding table represents the total pre-tax intrinsic value for stock options, with an exercise price less than the Company's TSX closing stock price as of the last trading day in the six months ended June 30, 2021 (approximately US$1.40), that would have been received by the option holders had they exercised their options on that date. There were 9,807,551 in-the-money stock options outstanding and 4,728,345 in-the-money stock options exercisable as of June 30, 2021.

The fair value of the stock options on their respective grant dates was determined using the Black-Scholes model with the following assumptions:

Stock Option Fair Value Assumptions	**2020**	**2019**	**2018**	**2017**	**2016**
Expected forfeiture rate	6.1%	6.2%	5.8% - 6.0%	5.3% - 6.0%	5.6%
Expected life (years)	3.9	3.7	3.7 - 3.8	3.7	3.7
Expected volatility	63.2%	58.6%	53.8% - 55.0%	56.0% - 57.5%	56.8%
Risk free rate	0.4%	1.6%	1.9% -2.1%	1.0% - 1.6%	1.0%
Expected dividend rate	0.0%	0.0%	0.0%	0.0%	0.0%
Black-Scholes value (CAD$)	$0.30	$0.35	$0.33 - $0.39	$0.32 - $0.44	$0.31

Restricted share units

On June 24, 2010, the Company's shareholders approved the adoption of the Company's restricted share unit plan (the "RSU Plan"), as subsequently amended. The RSU Plan was approved by our shareholders most recently on May 2, 2019. Amendments to the RSU Plan were approved by our shareholders on June 3, 2021, and the plan is now known as the Restricted Share Unit and Equity Incentive Plan (the "RSU&EI Plan").

Eligible participants under the RSU&EI Plan include directors and employees of the Company. Granted RSUs are redeemed on the second anniversary of the grant. Upon an RSU vesting, the holder of the RSU will receive one Common Share, for no additional consideration, for each RSU held.

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Activity with respect to RSUs is summarized as follows:

Restricted Share Unit Activity	**Outstanding RSUs**	**Weighted average grant date fair value**
	#	$
December 31, 2020	**1,404,962**	**$ 0.54**

(expressed in thousands of U.S. dollars unless otherwise indicated)

Forfeited	(59,843)	$ 0.56
June 30, 2021	**1,345,119**	**$ 0.57**

Stock-based compensation expense from RSUs was $0.2 million and $0.2 million for the six months ended June 30, 2021 and 2020, respectively.

As of June 30, 2021, there was approximately $0.3 million unamortized stock-based compensation expense related to the RSU&EI Plan. The expenses are expected to be recognized over the remaining weighted-average vesting periods of 1.1 years under the RSU&EI Plan.

As of June 30, 2021, outstanding RSUs are as follows:

RSUs outstanding			
Number of RSUs	**Weighted-average remaining contractual life (years)**	**Aggregate intrinsic value**	**Redemption Date**
#		$	
638,989	0.4	894,585	2021-11-05
706,130	1.4	988,582	2022-11-13
1,345,119	**0.9**	**1,883,167**	

The fair value of restricted share units on their respective grant dates was determined using the Intrinsic Value Method with the following assumptions:

Restricted Share Unit Fair Value Assumptions	**2020**	**2019**
Expected forfeiture rate	4.2%	4.8%
Grant date fair value (CAD$)	$0.63	$0.79

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Warrants

In September 2018, the Company issued 13,062,878 warrants to purchase 6,531,439 of our Common Shares at $1.00 per full share. In August 2020, the Company issued 9,000,000 warrants to purchase 4,500,000 of our Common Shares at $0.75 per full share. In February 2021, the Company issued 16,930,530 warrants to purchase 8,465,265 of our Common Shares at $1.35 per full share.

The following represents warrant activity during the period ended June 30, 2021:

Warrant Activity	**Outstanding warrants**	**Number of shares to be issued upon exercise**	**Per share exercise price**
	#	#	$
December 31, 2020	**22,062,878**	**11,031,439**	**0.90**
Issued	16,930,530	8,465,265	1.35
Exercised	(2,613,274)	(1,306,637)	0.91
June 30, 2021	**36,380,134**	**18,190,067**	**1.11**

We received $1.2 million from warrants exercised in the six months ended June 30, 2021. No warrants were exercised in the six months ended June 30, 2020.

As of June 30, 2021, outstanding warrants are as follows:

Exercise price	**Number of warrants**	**Weighted-average remaining contractual life (years)**	**Aggregate Intrinsic Value**	**Expiry**
$	#		$	
1.00	11,411,604	0.2	2,282,321	2021-09-25
0.75	8,038,000	1.1	2,612,350	2022-08-04
1.35	16,930,530	2.6	423,263	2024-02-04
1.11	**36,380,134**	**1.5**	**5,317,934**	

(expressed in thousands of U.S. dollars unless otherwise indicated)

The fair value of the warrants on their respective grant dates was determined using the Black-Scholes model with the following assumptions:

Warrant Fair Value Assumptions	2021	2020	2018
Expected forfeiture rate	0.0%	0.0%	0.0%
Expected life (years)	3.0	2.0	3.0
Expected volatility	69.3%	71.2%	55.2%
Risk free rate	0.2%	0.2%	2.2%
Expected dividend rate	0.0%	0.0%	0.0%
Black-Scholes value (CAD$)	$0.39	$0.26	$0.32

Fair value calculations

The Company estimates expected future volatility based on daily historical trading data of the Company's common shares. The risk-free interest rates are determined by reference to Canadian Treasury Note constant maturities that approximate the expected life. The Company has never paid dividends and currently has no plans to do so.

Share-based compensation expense is recognized net of estimated pre-vesting forfeitures, which results in expensing the awards that are ultimately expected to vest over the expected life. Forfeitures and expected lives were estimated based on actual historical experience.

14. Sales

Revenue is primarily derived from the sale of U_3O_8 to domestic utilities under contracts or spot sales.

Revenue consists of:

	Six months ended June 30,			
	2021		2020	
Revenue Summary	$	%	$	%
Sales of purchased inventory				
Company A	-	0.0%	8,300	100.0%
Total product sales	-	0.0%	8,300	100.0%
Disposal fee income	7	100.0%	4	0.0%
	7	**100.0%**	**8,304**	**100.0%**

15. Cost of Sales

Cost of sales includes ad valorem and severance taxes related to the extraction of uranium, all costs of wellfield and plant operations including the related depreciation and amortization of capitalized assets, reclamation and mineral property costs, plus product distribution costs. These costs are also used to value inventory. The resulting inventoried cost per pound is compared to the NRV of the product, which is based on the estimated sales price of the product, net of any necessary costs to finish the product. Any inventory value in excess of the NRV is charged to cost of sales.

Cost of sales consists of the following:

	Six months ended June 30,	
Cost of Sales	2021	2020
Cost of product sales	-	5,166
Lower of cost or NRV adjustments	3,508	4,456
	3,508	9,622

16. Operating Costs

Operating expenses include exploration and evaluation expense, development expense, General and Administration ("G&A") expense, and mineral property write-offs.

(expressed in thousands of U.S. dollars unless otherwise indicated)

Exploration and evaluation expense consists of labor and the associated costs of the exploration and evaluation departments as well as land holding and exploration costs including drilling and analysis on properties which have not reached the permitting or operations stage. Development expense relates to properties that have reached the permitting or operations stage and include costs associated with exploring, delineating, and permitting a property. Once permitted, development expense also includes the costs associated with the construction and development of the permitted property that are otherwise not eligible to be capitalized. G&A expense relates to the administration, finance, investor relations, land, and legal functions, and consists principally of personnel, facility, and support costs.

Operating costs consist of the following:

	Three months ended June 30,		Six months ended June 30,	
Operating Costs	**2021**	**2020**	**2021**	**2020**
Exploration and evaluation	693	554	1,156	945
Development	333	343	465	616
General and administration	1,628	1,185	2,722	2,439
Accretion	123	145	246	289
	2,777	2,227	4,589	4,289

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17. Supplemental Information for Statement of Cash Flows

Cash and cash equivalents, and restricted cash per the Statement of Cash Flows consists of the following:

Cash and Cash Equivalents, and Restricted Cash	**June 30, 2021**	**December 31, 2020**
Cash and cash equivalents	21,491	4,268
Restricted cash	7,860	7,859
	29,351	**12,127**

Interest expense paid was $0.2 million and $0.2 million for the three months ended June 30, 2021 and 2020, respectively. Interest expense paid was $0.4 million and $0.4 million for the six months ended June 30, 2021 and 2020, respectively.

18. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, accounts payable and accrued liabilities, and notes payable. The Company is exposed to risks related to changes in interest rates and management of cash and cash equivalents and short-term investments.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, and restricted cash. These assets include Canadian dollar and U.S. dollar denominated certificates of deposit, money market accounts, and demand deposits. These instruments are maintained at financial institutions in Canada and the U.S. Of the amount held on deposit, approximately $0.5 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation, or the U.S. Federal Deposit Insurance Corporation, leaving approximately $28.8 million at risk on June 30, 2021 should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets to be impaired as of June 30, 2021.

Liquidity risk

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

As of June 30, 2021, the current Company's financial liabilities consisted of accounts payable and accrued liabilities of $2.7 million.

As of June 30, 2021, we had $21.5 million of cash and cash equivalents. In addition to our cash position, our finished, ready-to-sell, conversion facility inventory value is immediately realizable, if necessary. We do not anticipate selling our existing finished-product inventory in 2021, unless market conditions change sufficiently to warrant its sale.

Sensitivity analysis

The Company has 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 shows that a change of +/- 100 basis points in interest rate would have a negligible effect on the three months ended June 30, 2021. 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 vary.

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Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Business Overview

The following discussion is designed to provide information that we believe is necessary for an understanding of our financial condition, changes in financial condition, and results of our operations and provides information through July 28, 2021. The following discussion and analysis should be read in conjunction with the MD&A contained in our Annual Report on Form 10-K for the year ended December 31, 2020.

Incorporated on March 22, 2004, Ur-Energy is an exploration stage mining company, as that term is defined by the SEC. We are engaged in uranium mining, recovery and processing activities, including the acquisition, exploration, development and operation of uranium mineral properties in the U.S. We are operating our first in situ recovery uranium mine at our Lost Creek Project in Wyoming. Ur-Energy is a corporation continued under the *Canada Business Corporations Act* on August 8, 2006. Our Common Shares are listed on the TSX under the symbol "URE" and on the NYSE American under the symbol "URG."

Ur-Energy has one wholly-owned subsidiary, Ur-Energy USA Inc., incorporated under the laws of the State of Colorado. Ur-Energy USA Inc. has three wholly-owned subsidiaries: NFU Wyoming, LLC, a limited liability company formed under the laws of the State of Wyoming which acts as our land holding and exploration entity; Lost Creek ISR, LLC, a limited liability company formed under the laws of the State of Wyoming to operate our Lost Creek Project and hold our Lost Creek properties and assets; and Pathfinder Mines Corporation ("Pathfinder"), incorporated under the laws of the State of Delaware, which holds, among other assets, the Shirley Basin and Lucky Mc properties in Wyoming. Our material U.S. subsidiaries remain unchanged since the filing of our Annual Report on Form 10-K, dated February 26, 2021.

We utilize in situ recovery ("ISR") of the uranium at our flagship project, Lost Creek, and will do so at other projects where possible. The ISR technique is employed in uranium extraction because it allows for an effective recovery of roll front uranium mineralization at a lower cost. At Lost Creek, we extract and process uranium oxide ("U_3O_8") for shipping to a third-party conversion facility to be weighed, assayed and stored until sold.

Our Lost Creek processing facility, which includes all circuits for the production, drying and packaging of U_3O_8 for delivery into sales transactions, is designed and anticipated under current licensing to process up to 1.2 million pounds of U_3O_8 annually from the Lost Creek mine. The processing facility has the physical design capacity and is licensed to process 2.2 million pounds of U_3O_8 annually, which provides additional capacity, of up to one million pounds U_3O_8, to process material from other sources. We expect that the Lost Creek processing facility may be utilized to process captured U_3O_8 from our Shirley Basin Project. However, the Shirley Basin permit and license allow for the construction of a full processing facility, providing greater construction and operating flexibility as may be dictated by market conditions.

COVID-19 and SBA Paycheck Protection Program

During the quarter, we have adapted accordingly to continuing changes in COVID-19 related restrictions and guidance. We continue to monitor State, Federal and public health guidance as it evolves. Following one case of COVID-19 among our staff in 2020 Q4, staff have experienced no further cases of COVID-19.

In response to the COVID-19 pandemic, Congress enacted the CARES Act on March 27, 2020, which created the Paycheck Protection Program ("PPP") through the Small Business Administration ("SBA"). As an eligible borrower under the program, we secured two loans, one for each of our subsidiaries with U.S. payroll obligations. The combined loan amount of $0.9 million was received on April 16, 2020.

We applied for forgiveness of the full amount of the two loans under the program and, during 2021 Q2, we received notices that our applications had been approved. Both loans were fully forgiven. See note 10 to the accompanying Unaudited Consolidated Financial Statements.

Uranium Market Update

The Biden Administration is prioritizing climate change initiatives and has expressed an understanding that clean, carbon-free nuclear energy must be an integral part of those initiatives. Several pieces of federal legislation have been proposed which would support nuclear energy and the nuclear fuel cycle industries.

The U.S. Department of Energy continues its work to implement the new national uranium reserve which was established in December 2020.

During the quarter, Wyoming Governor Mark Gordon, together with TerraPower and PacifiCorp power company, announced the selection of Wyoming for the launch of an advanced modular nuclear reactor demonstration project.

Supply-demand fundamentals continue to strengthen with projections for sustained growth of global nuclear power in coming years through traditional uses and the construction of advanced reactors of various types. Additionally, growing numbers of countries are making commitments to net-zero emissions, which will likely require nuclear energy to meet such objectives.

Russell Index

The Company joined the Russell 3000Ò Index at the conclusion of the 2021 Russell indexes annual reconstitution, effective after the U.S. market opened on June 28, 2021. Annual Russell indexes reconstitution captures the 4,000 largest U.S. stocks as of May 7, ranking them by total market capitalization. Membership in the U.S. all-cap Russell 3000Ò Index, which remains in place for one year, means automatic inclusion in the large-cap Russell 1000Ò Index or small-cap Russell 2000Ò Index as well as the appropriate growth and value style indexes. FTSE Russell determines membership for its Russell indexes primarily by objective, market-capitalization rankings and style attributes.

Mineral Rights and Properties

We have 12 U.S. uranium properties. Ten of our uranium properties are located in the Great Divide Basin, Wyoming, including Lost Creek. Currently, we control nearly 1,800 unpatented mining claims and three State of Wyoming mineral leases for a total of approximately 36,000 acres in the area of the Lost Creek Property, including the Lost Creek permit area (the "Lost Creek Project" or "Project"), and certain adjoining properties referred to as LC East, LC West, LC North, LC South and EN Project areas (collectively, with the Lost Creek Project, the "Lost Creek Property"). Our Shirley Basin Project, also in Wyoming, comprises more than 3,700 Company-controlled acres. Our Lucky Mc Project holds 1,800 acres in the Gas Hills Mine District, Wyoming. Our Excel gold project holds approximately 2,400 acres of mining claims in the Excelsior Mountains of Mineral County, Nevada.

Lost Creek Property

Lost Creek continues to operate at reduced production levels while we await the implementation of the national uranium reserve, further relief pursuant to the recommendations of the United States Nuclear Fuel Working Group (the "Working Group") and additional positive developments in the uranium markets. The reduced production operations have allowed us to sustain operating cost reductions at Lost Creek, while continuing to conduct preventative maintenance and optimize processes in preparation for ramp up to full production rates. These preparations include advanced planning for anticipated drilling and production well installation in our fully permitted Mine Unit 2 (“MU2”).

Applications for amendment to the Lost Creek licenses and permits were submitted in 2014 in order to include recovery from the uranium resource in the LC East Project (HJ and KM horizons) immediately adjacent to the Lost Creek Project. During Q1, the Wyoming Uranium Recovery Program (“URP”) approved the amendment to the Lost Creek source material license to include recovery from these areas. This license approval grants the Company access to six planned mine units in addition to the already licensed three mine units at Lost Creek. The approval also increases the license limit for annual plant production to 2.2 million pounds U_3O_8 which includes wellfield production of up to 1.2 million pounds U_3O_8 and toll processing up to one million pounds U_3O_8.

The BLM previously completed its review and granted approval for this expansion at Lost Creek. The Wyoming Department of Environmental Quality, Land Quality Division, continues its review of the application for amendment to the Lost Creek permit to mine which will add the LC East and KM mine units. We anticipate that the Land Quality Division review will be complete in 2021.

Shirley Basin Project

As previously disclosed, during Q2 the State of Wyoming and the EPA completed their respective reviews of our Shirley Basin Project and issued the source material license, permit to mine, and aquifer exemption for the project. These three approvals represent the final major permits required to begin construction of the Shirley Basin Project. We received BLM final approval of the project, following its NEPA review process, in 2020.

The Company plans three relatively shallow mining units at the project, where we have the option to build out a complete processing plant with drying facilities or a satellite plant with the ability to send loaded ion exchange resin to Lost Creek for processing. As approved, the Shirley Basin processing facility is allowed to recover up to one million pounds U_3O_8 annually from the wellfield. The annual production of U_3O_8 from wellfield production and toll processing of loaded resin or yellowcake slurry will not exceed two million pounds equivalent of dried U_3O_8 product.

Situated in an historic mining district, the project has existing access roads, power, waste disposal facility and shop buildings onsite. Because delineation and exploration drilling were completed historically, the project is construction ready. All wellfield, pipeline and header house layouts are finalized and additional, minor on-the-ground preparations have been initiated in 2021 Q3. We anticipate up to nine years production at the site.

Results of Operations

The following table provides information on our production and ending inventory of U_3O_8 pounds.

Reconciliation of Non-GAAP measures with US GAAP financial statement presentation

The U_3O_8 and cost per pound measures included in the following table do not have a standardized meaning within US GAAP or a defined basis of calculation. These measures are used by management to assess business performance and determine production and pricing strategies. They may also be used by certain investors to evaluate performance.

U_3O_8 Production and Ending Inventory

	Unit	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021-06 YTD
U_3O_8 Production						
Pounds captured	lb	2,503	54	49	58	107
Pounds drummed	lb	4,926	6,622	-	-	-
Pounds shipped	lb	-	-	15,873	-	15,873
Pounds purchased	lb	-	-	-	-	-
U_3O_8 Ending Inventory						
Pounds						
In-process inventory	lb	6,901	303	318	365	
Plant inventory	lb	9,251	15,873	-	-	
Conversion inventory - produced	lb	219,735	219,735	235,608	267,617	
Conversion inventory - purchased	lb	48,750	48,750	48,750	16,741	
	lb	284,637	284,661	284,676	284,723	
Value						
In-process inventory	$000	$ -	$ -	$ -	$ -	
Plant inventory	$000	$ 268	$ 463	$ -	$ -	
Conversion inventory - produced	$000	$ 6,083	$ 6,083	$ 6,592	$ 7,487	
Conversion inventory - purchased	$000	$ 1,268	$ 1,268	$ 1,268	$ 435	
	$000	$ 7,619	$ 7,814	$ 7,860	$ 7,922	
Cost per Pound						
In-process inventory	$/lb	$ -	$ -	$ -	$ -	
Plant inventory	$/lb	$ 28.97	$ 29.17	$ -	$ -	
Conversion inventory - produced	$/lb	$ 27.68	$ 27.68	$ 27.98	$ 27.98	

Conversion inventory - purchased	$/lb	$ 26.01	$ 26.01	$ 26.01	$ 25.98
	$/lb	$ 26.77	$ 27.45	$ 27.61	$ 27.82
Produced conversion inventory detail:					
Ad valorem and severance tax	$/lb	$ 0.75	$ 0.75	$ 0.67	$ 0.59
Cash cost	$/lb	$ 17.50	$ 17.50	$ 17.28	$ 18.56
Non-cash cost	$/lb	$ 9.43	$ 9.43	$ 10.03	$ 8.83
	$/lb	$ 27.68	$ 27.68	$ 27.98	$ 27.98

During 2020, we took steps to reduce production operations at Lost Creek and adjust to the continued depressed state of the uranium markets while we awaited the recommended relief from the Working Group and further positive developments in the uranium markets. As a result, production rates at Lost Creek declined significantly during the year. Pounds captured decreased nearly 80 percent during the year and will remain low until a decision to ramp up is made.

As of June 30, we had approximately 284,358 pounds of U_3O_8 at the conversion facility including 267,617 produced pounds at an average cost per pound of $27.98, and 16,741 purchased pounds at an average cost of $25.98 per pound. In April 2021, we exchanged purchased U_3O_8 in our inventory for an equal number of pounds of U_3O_8 with a trader who held Lost Creek origin pounds pursuant to an earlier agreement.

Three and six months ended June 30, 2021 compared to the three and six months ended June 30, 2020

The following table summarizes the results of operations for the three months ended June 30, 2021 and 2020:

	Three months ended June 30,		
	2021	**2020**	**Change**
Sales	7	6,934	(6,927)
Cost of sales	(1,835)	(6,517)	4,682
Gross profit (loss)	(1,828)	417	(2,245)
Operating costs	(2,777)	(2,227)	(550)
Profit (loss) from operations	(4,605)	(1,810)	(2,795)
Net interest expense	(187)	(195)	8
Warrant mark to market gain	(2,920)	(231)	(2,689)
Foreign exchange gain (loss)	(71)	(8)	(63)
Other income (expense)	904	17	887
Net income (loss)	**(6,879)**	**(2,227)**	**(4,652)**
Foreign currency translation adjustment	34	4	30
Comprehensive income (loss)	**(6,845)**	**(2,223)**	**(4,622)**
Income (loss) per common share:			
Basic	(0.04)	(0.02)	(0.02)
Diluted	(0.04)	(0.02)	(0.02)
U_3O_8 pounds sold	-	167,000	(167,000)
U_3O_8 price per pounds sold	-	41.50	(41.50)
U_3O_8 cost per pounds sold	-	26.01	(26.01)
U_3O_8 gross profit per pounds sold	-	15.49	(15.49)

The following table summarizes the results of operations for the six months ended June 30, 2021 and 2020:

	Six months ended June 30,		
	2021	**2020**	**Change**
Sales	7	8,304	(8,297)
Cost of sales	(3,508)	(9,622)	6,114
Gross profit (loss)	(3,501)	(1,318)	(2,183)
Operating costs	(4,589)	(4,289)	(300)
Profit (loss) from operations	(8,090)	(5,607)	(2,483)
Net interest expense	(376)	(327)	(49)
Warrant mark to market gain	(6,324)	42	(6,366)

Foreign exchange gain (loss)	(367)	7	(374)
Other income (expense)	906	17	889
Net income (loss)	**(14,251)**	**(5,868)**	**(8,383)**
Foreign currency translation adjustment	253	31	222
Comprehensive income (loss)	**(13,998)**	**(5,837)**	**(8,161)**
Income (loss) per common share:			
Basic	(0.08)	(0.04)	(0.04)
Diluted	(0.08)	(0.04)	(0.04)
U_3O_8 pounds sold	-	200,000	(200,000)
U_3O_8 price per pounds sold	-	41.50	(41.50)
U_3O_8 cost per pounds sold	-	25.83	(25.83)
U_3O_8 gross profit per pounds sold	-	15.67	(15.67)

Sales

There were no sales in the first six months of 2021 and we do not anticipate making any sales in 2021. We sold 167,000 and 200,000 pounds of U_3O_8 during the three and six months ended June 30, 2020, respectively, for an average price of $41.50 per pound. The sales were all into term contracts using purchased pounds.

Cost of Sales

Cost of sales per the financial statements includes ad valorem and severance taxes related to the extraction of uranium, all costs of wellfield and plant operations including the related depreciation and amortization of capitalized assets, reclamation and mineral property costs, plus product distribution costs. These costs are also used to value inventory. The resulting inventoried cost per pound is compared to the NRV of the product, which is based on the estimated sales price of the product, net of any necessary costs to finish the product. Any inventory value in excess of the NRV is charged to cost of sales per the financial statements. These NRV adjustments are excluded from the U_3O_8 cost of sales and U_3O_8 cost per pound sold figures because they relate to the pounds of U_3O_8 in ending inventory and do not relate to the pounds of U_3O_8 sold during the period.

In the three months and six months ended June 30, 2021, cost of sales per the financial statements included $1.8 million and $3.5 million, respectively, in lower of cost or NRV adjustments. With production rates held to these intentionally lower levels, virtually all production costs during 2021 will be charged to cost of sales as NRV adjustments. In the three and six months ended June 30, 2020, cost of sales per the financial statements included $2.2 million and $4.5 million, respectively, in lower of cost or NRV adjustments.

All sales in 2020 were from purchased product. The weighted average purchase price was $26.01 and $25.83 for the three and six months, respectively, per pound.

Gross Profit

The gross loss per the financial statements for the three and six months ended June 30, 2021 was $1.8 million and $3.5 million, respectively. As there were no U_3O_8 sales during the six months ended June 30, 2021, the losses were composed of NRV adjustments. The gross profit (loss) per the financial statements for the three and six months ended June 30, 2020 was a profit of $0.4 million and a loss of $1.3 million, respectively. Excluding the lower of cost or NRV adjustments, the U_3O_8 gross profit was $2.6 million and $3.1 million for the three and six months, respectively, which represents gross profit margins of approximately 37 percent and 38 percent.

Operating Costs

Operating costs include exploration and evaluation expense, development expense, general and administration expense, and accretion expense.

The following table summarizes the operating costs for the three and six months ended June 30, 2021 and 2020:

	Three months ended June 30,		Six months ended June 30,	
Operating Costs	**2021**	**2020**	**2021**	**2020**
Exploration and evaluation	693	554	1,156	945
Development	333	343	465	616
General and administration	1,628	1,185	2,722	2,439
Accretion	123	145	246	289
	2,777	2,227	4,589	4,289

Total operating costs for the three and six months ended June 30, 2021 were $2.8 million and $4.6 million, respectively. Total operating expenses for the three and six months ended June 30, 2020 were $2.2 million and $4.3 million, respectively. The increase in 2021 was primarily related to the payment of bonuses in Q2. There were no bonuses paid in 2020.

Exploration and evaluation expense consists of labor and the associated costs of the exploration, evaluation, and regulatory departments, as well as land holding and exploration costs on properties that have not reached the development or operations stage. The $0.1 million and $0.2 million increases in the three and six months ended June 30, 2021 were primarily due to the bonus payments in Q2 and exploration activities on the Excel gold project in Nevada, partially offset by savings realized from labor reductions and relocating the Casper operations office to a smaller, less expensive, office building.

Development expense includes costs incurred at the Lost Creek Project not directly attributable to production activities, including wellfield construction, drilling, and development costs. It also includes costs associated with the Shirley Basin Project, which is in a more advanced stage, and Lucky Mc, which is near the end of reclamation at the historic mine site. The $0.2 million year to date decrease in 2021 primarily related to lower development labor costs at Lost Creek partially offset by higher permitting costs at Shirley Basin.

General and administration expense relates to the administration, finance, investor relations, land, and legal functions, and consists principally of personnel, facility, and support costs. The $0.4 million and $0.3 million increases in the three and six months ended June 30, 2021 were primarily related to the bonus payments in Q2, partially offset by savings realized from labor reduction.

Other Income and Expenses

Net interest expense increased slightly in 2021 because of lower interest income received from restricted cash deposit accounts as compared to 2020.

The warrant mark to market loss increased from $0.2 million in 2020 Q2 to a loss of $2.9 million in 2021 Q2. For the six months ended June 30, 2021 the loss increased $6.4 million from the same period in 2020. As a part of the September 2018 underwritten public offering, the August 2020 registered direct offering, and the February 2021 underwritten public offering, we sold warrants that were priced in U.S. dollars. Because the functional currency of the Ur-Energy Inc. entity is Canadian dollars, a derivative financial liability was created. The liability was originally calculated, and is revalued quarterly, using the Black-Scholes technique as there is no active market for the warrants. Any gain or loss resulting from the revaluation of the liability is reflected in other income and expenses for the period. During 2021, the Company's stock price, volatility, and other factors used in the Black-Scholes calculation rose significantly, leading to a significant increase in the warrant liability and corresponding mark to market losses.

As a result of the February 2021 underwritten public offering, the Company received approximately $13.9 million in net proceeds from the offering. Because the functional currency of the Ur-Energy Inc. entity is Canadian dollars, the entity's USD bank account is revalued into Canadian dollars and any gain or loss resulting from changes in the currency rates is reflected in other income and expenses for the period. For the six months ended June 30, 2021, the foreign exchange loss was primarily due to the revaluation of the entity's USD bank account.

On April 16, 2020, we obtained two SBA PPP loans (one for each of our subsidiaries with U.S. payroll obligations) through the BOKF. Under the program, as modified by the Flexibility Act and SBA and Treasury rulemakings, the repayment of our loans, including interest, would be forgiven based on eligible payroll, payroll-related, and other allowable costs incurred in a twenty-four-week period following the funding of the loans. In December 2020, we applied for loan forgiveness with the BOKF. The BOKF, after reviewing the loan forgiveness applications, submitted them to the SBA for approval. The Company received notifications in Q2 that the principal amount of $893 thousand and accrued interest of approximately $10 thousand were forgiven under the terms of the PPP. This was treated as a forgiveness of debt on the Consolidated Statements of Operations for the three-months ended June 30, 2021 and a $903 thousand gain on debt forgiveness was recognized in other income.

Earnings (loss) per Common Share

The basic and diluted loss per common share for the three and six months ended June 30, 2021 was $0.04 and $0.08, respectively. For 2020, the losses per share were $0.02 and $0.04, 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 in periods of loss.

Liquidity and Capital Resources

Cash and cash equivalents increased $17.2 million from the December 31, 2020 balance of $4.3 million to $21.5 million as of June 30, 2021. Cash resources consist of Canadian and U.S. dollar denominated deposit accounts and money market funds. During the six months ended June, 30, 2021 we used $5.8 million for operating activities, had minimal investing activities, and generated $23.0 million from financing activities.

Operating activities used $5.8 million of cash in 2021. We spent $1.7 million on production related cash costs, operating costs consumed $3.8 million of cash and we paid $0.3 million in interest payments on our state bond loan.

Investing activities used less than $0.1 million during the period.

Financing activities provided $23.0 million of cash in 2021. As described below, on February 4, 2021, we closed a $15.2 million underwritten public offering. After share issue costs, we received net proceeds of $13.9 million. During 2021, we have received net proceeds of $6.7 million through our At Market facility. We also received $2.4 million from the exercise of warrants and stock options.

Wyoming State Bond Loan

On October 23, 2013, we closed a $34.0 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond financing program loan ("State Bond Loan"). The State Bond Loan calls for payments of interest at a fixed rate of 5.75% per annum on a quarterly basis, which commenced January 1, 2014. The principal was to be payable in 28 quarterly installments, which commenced January 1, 2015. The State Bond Loan is secured by all the assets at the Lost Creek Project. As of June 30, 2021, the balance of the State Bond Loan was $12.4 million.

On October 1, 2019, the Sweetwater County Commissioners and the State of Wyoming approved an eighteen month deferral of principal payments beginning October 1, 2019. On October 6, 2020, the State Bond Loan was again modified to defer principal payments for an additional eighteen months. Quarterly principal payments are scheduled to resume on October 1, 2022 and the last payment will be due on October 1, 2024.

Small Business Administration Loans

On April 16, 2020, we obtained two SBA PPP loans (one for each of our subsidiaries with U.S. payroll obligations) through the Bank of Oklahoma Financial ("BOKF"). The program was a part of the CARES Act enacted by Congress on March 27, 2020 in response to the COVID-19 (Coronavirus) pandemic. The combined loan amount was $0.9 million.

On June 5, 2020, the Flexibility Act became law. The Flexibility Act changes key provisions of the PPP, including maturity of the loans, deferral of loan payments, and the forgiveness of the PPP loans, with revisions being retroactive to the date of the CARES Act.

Under the PPP, as modified by the Flexibility Act, the repayment of our loans, including interest, may be forgiven based on eligible payroll, payroll-related, and other allowable costs incurred in a twenty-four-week period following the funding of the loans. In December 2020, we applied for loan forgiveness with the BOKF. After reviewing the loan forgiveness applications, BOKF submitted them to the SBA for approval. The Company received notifications in Q2 that the principal amount of $893 thousand and accrued interest of approximately $10 thousand were forgiven under the terms of the PPP. This was treated as a forgiveness of debt on the Consolidated Statements of Operations for the three-months ended June 30, 2021 and a $903 thousand gain on debt forgiveness was recognized in other income.

Universal Shelf Registration and At Market Facility

On May 15, 2020, we filed a universal shelf registration statement on Form S-3 with the SEC in order that we may offer and sell, from time to time, in one or more offerings, at prices and terms to be determined, up to $100 million of our Common Shares, warrants to purchase our Common Shares, our senior and subordinated debt securities, and rights to purchase our Common Shares and/or senior and subordinated debt securities. The registration statement became effective May 27, 2020 for a three-year period.

On May 29, 2020, we entered into an At Market Issuance Sales Agreement (the "Sales Agreement") with B. Riley Securities, Inc. (formerly, B. Riley FBR, Inc.). On June 7, 2021, we amended and restated the Sales Agreement to include Cantor Fitzgerald & Co. as a co-agent. Under the Sales Agreement, as amended, we may, from time to time, issue and sell Common Shares at market prices on the NYSE American or other U.S. market through the agents for aggregate sales proceeds of up to $50 million.

In 2021 Q2, we utilized the Sales Agreement for gross proceeds of $6.9 million. In 2020 Q4, we utilized the Sales Agreement and received gross proceeds of $0.1 million.

2020 Registered Direct Offering

On August 4, 2020, the Company closed a $4.68 million registered direct offering of 9,000,000 common shares and accompanying one-half common share warrants to purchase up to 4,500,000 common shares, at a combined public offering price of $0.52 per common share and accompanying warrant, with gross proceeds to the Company of $4.68 million. After fees and expenses of $0.4 million, net proceeds to the Company were $4.3 million.

2021 Underwritten Public Offering

The Company closed on February 4, 2021 a $15.2 million underwritten public offering of 16,930,530 common shares and accompanying one-half common share warrants to purchase up to 8,465,265 common shares, at a combined public offering price of $0.90 per common share and accompanying one-half common share warrant. The gross proceeds to Ur-Energy from this offering were approximately $15.2 million. After fees and expenses of $1.3 million, net proceeds to the Company were approximately $13.9 million.

Liquidity Outlook

As of July 28, 2021, our unrestricted cash position was $20.8 million.

In addition to our cash position, our finished, ready-to-sell, conversion facility inventory, worth $9.2 million at recent spot prices, is immediately realizable, if necessary. After completing the financing activities discussed above, we do not anticipate selling our existing finished-product inventory in 2021 at spot market prices. As discussed below, we currently intend to preserve our U.S. origin pounds for possible delivery into the U.S. uranium reserve program, which has been signed into law but not yet implemented.

Looking Ahead

International recognition of nuclear power's role in achieving net-zero carbon emissions goals has resulted in a renewed interest in the uranium sector in 2021. The Paris Climate Agreement calls for net-zero carbon emissions by 2050 and the U.S. has rejoined the agreement under the Biden Administration, which continues to demonstrate support for the nuclear industry.

In February 2021, we raised gross proceeds of $15.2 million through an underwritten public offering. After fees and expenses of $1.3 million, net proceeds to the Company were $13.9 million. Our current cash position as of July 28, 2021, is $20.8 million. In addition to our strong cash position, we have nearly 285,000 pounds of finished, U.S. produced inventory, worth $9.2 million at recent spot prices. Our financial position provides us with adequate funds to maintain and enhance operational readiness at Lost Creek, as well as preserve our existing inventory for higher prices.

We continue to optimize processes and refine production plans to strengthen our operational readiness at the fully permitted Lost Creek mine and plant. After recent receipt of an approved license amendment, the Lost Creek facility now has the constructed and licensed capacity to process up to 2.2 million pounds of U_3O_8 per year and sufficient mineral resources to feed the processing plant for many years to come. We remain prepared to expand uranium production at Lost Creek to an annualized run rate of up to 1.2 million pounds. A ramp-up of production at Lost Creek would initially include further development work in the first two mine units, followed by the ten additional mining areas as defined in the Lost Creek Property Preliminary Economic Assessment, as amended.

Our long-tenured operational and professional staff have significant levels of experience and adaptability which will allow for an easier transition back to full operations. Lost Creek operations can increase to full production rates in as little as six months following a go decision, simply by developing additional header houses within the fully permitted MU2. Development expenses during this six-month ramp up period are estimated to be approximately $14 million and are almost entirely related to MU2 drilling and header house construction costs. We are prepared to ramp up and to deliver our Lost Creek production inventory to the new national uranium reserve.

Additionally, with all major permits and authorizations for our Shirley Basin Project now in hand, we stand ready to construct at the mine site when market conditions warrant. We estimate up to nine years production at the project based upon the mineral resources reported in the Shirley Basin Preliminary Economic Assessment.

We will continue to closely monitor the uranium market and any actions or remedies resulting from the Working Group's report, the implementation of the uranium reserve program, or any further legislative actions, which may positively impact the uranium production industry. Until such time, we will continue to minimize costs and maximize the 'runway' to maintain our current operations and the operational readiness needed to ramp-up production when called upon.

Transactions with Related Parties

There were no transactions with related parties during the quarter.

Proposed Transactions

A non-core, unpermitted, non-operating property held by Pathfinder is presently considered to be an asset held for sale. The Company has a plan to sell the asset and is considering an offer consisting of cash and mineral properties. The asset's mineral property cost and asset retirement obligation are shown in note 4 to the accompanying Unaudited Consolidated Financial Statements.

Other than the proposed transaction, as is typical of the mineral exploration, development and mining industry, we will consider and review 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

We have established the existence of uranium resources at the Lost Creek Property, but because of the unique nature of in situ recovery mines, we have not established, and have no plans to establish, the existence of proven and probable reserves at this project. Accordingly, we have adopted an accounting policy with respect to the nature of items that qualify for capitalization for in situ U_3O_8 mining operations to align our policy to the accounting treatment that has been established as best practice for these types of mining operations.

The development of the wellfield includes injection, production and monitor well drilling and completion, piping within the wellfield and to the processing facility and header houses used to monitor production and disposal wells associated with the operation of the mine. These costs are expensed when incurred.

Mineral Properties

Acquisition costs of mineral properties are capitalized. When production is attained at a property, these costs will be amortized over a period of estimated benefit.

Development costs including, but not limited to, production wells, header houses, piping and power will be expensed as incurred as we have no proven and probable reserves.

Inventory and Cost of Sales

Our inventories are valued at the lower of cost and net realizable value based on projected revenues from the sale of that product. We are allocating all costs of operations of the Lost Creek facility to the inventory valuation at various stages of production with the exception of wellfield and disposal well costs which are treated as development expenses when incurred. Depreciation of facility enclosures, equipment and asset retirement obligations as well as amortization of the acquisition cost of the related property is also included in the inventory valuation. We do not allocate any administrative or other overhead to the cost of the product.

Share-Based Expense

We are required to initially record all equity instruments including warrants, restricted share units and stock options at fair value in the financial statements.

Management utilizes the Black-Scholes model to calculate the fair value of the warrants and stock options at the time they are issued. In addition, the fair value of derivative warrants is recalculated quarterly using the Black-Scholes model with any gain or loss being reflected in the net income for the period. 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 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.

Off Balance Sheet Arrangements

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

Outstanding Share Data

As of July 28, 2021, we had outstanding 195,407,043 Common Shares and 9,807,551 options to acquire Common Shares.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents, deposits, restricted cash and debt financing. Our objectives for managing our cash and cash equivalents are to maintain sufficient funds 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 financial institutions so that they earn interest.

Currency risk

At June 30, 2021, we maintained a balance of approximately C$1.3 million in Canadian dollars. The funds will be used to pay Canadian dollar expenses and are considered to be a low currency risk to the Company.

Commodity Price Risk

The Company is subject to market risk related to the market price of uranium. Future sales would be impacted by both spot and long-term uranium price fluctuations. Historically, uranium prices have been subject to fluctuation, and the price of uranium has been and will continue to be affected by numerous factors beyond our control, including the demand for nuclear power, political and economic conditions, governmental legislation in uranium producing and consuming countries, and production levels and costs of production of other producing companies. The average spot market price was $32.40 per pound as of July 28, 2021.

Item 4. CONTROLS AND PROCEDURES

(a) 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.

(b) Changes in Internal Controls over Financial Reporting

No changes in our internal control over financial reporting occurred during the six months ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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PART II

Item 1. LEGAL PROCEEDINGS

No new legal proceedings or material developments in pending proceedings.

Item 1A. RISK FACTORS

There have been no material changes for the three months ended June 30, 2021 from those risk factors set forth in our Annual Report on Form 10-K.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURE

Our operations and exploration activities at Lost Creek are not subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977.

Item 5. OTHER INFORMATION

None.

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Item 6. EXHIBITS

		Incorporated by Reference			
Exhibit Number	**Exhibit Description**	**Form**	**Date of Report**	**Exhibit**	**Filed Herewith**
31.1	Certification of CEO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				x
31.2	Certification of CFO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				x
32.1	Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				x

32.2	Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	x
101.INS	Inline XBRL Instance Document	x
101.SCH	Inline XBRL Schema Document	x
101.CAL	Inline XBRL Calculation Linkbase Document	x
101.DEF	Inline XBRL Definition Linkbase Document	x
101.LAB	Inline XBRL Labels Linkbase Document	x
101.PRE	Inline XBRL Presentation Linkbase Document	x
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	x

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UR -ENERGY INC.

Date: August 3, 2021

By: */s/ Jeffrey T. Klenda*
Jeffrey T. Klenda
Chief Executive Officer
(Principal Executive Officer)

Date: August 3, 2021

By: */s/ Roger L. Smith*
Roger L. Smith
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey T. Klenda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ur-Energy Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within this entity, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2021

By: */s/ Jeffrey T. Klenda*
Jeffrey T. Klenda
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roger Smith certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ur-Energy Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within this entity, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2021

By: */s/ Roger Smith*
Roger Smith
Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report of Ur-Energy Inc. (the “Registrant”) on Form 10-Q for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, the undersigned, in the capacity and on the date indicated below, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 3, 2021

By: */s/ Jeffrey T. Klenda*
Jeffrey T. Klenda
Chief Executive Officer

EXHIBIT 32.2

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report of Ur-Energy Inc. (the "Registrant") on Form 10-Q for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, in the capacity and on the date indicated below, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 3, 2021

By: */s/ Roger Smith*
Roger Smith
Chief Financial Officer