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 September 30, 2023

☐ **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	☐	Accelerated filer	☐	Non-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 October 26, 2023, there were 265,989,118 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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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 operations at Lost Creek as we continue to ramp up and operate at commercial production levels; (ii) the timing for ongoing hiring and training of staff at Lost Creek, and the related timing for construction and development work, including bringing additional header houses online; (iii) future development and construction priorities and timelines for Shirley Basin, including timing for a decision to commence construction-related activities and whether our current projections for buildout are able to be met; (iv) our ability to ramp-up to higher production levels at Lost Creek in a timely and cost-effective manner including timely delivery into our contracts and at what profit margins; (v) the timing and outcome of final regulatory approvals of the amendments for uranium recovery at the LC East Project; (vi) continuing effects of supply-chain disruption, and challenges in the labor market, and whether the Company will continue to anticipate and overcome such delays; (vii) the viability of our ongoing research and development efforts, including the timing and cost to permit, implement and operate one or more of them; (viii) whether the new centralized services facility will provide the operational, financial and environmental benefits currently foreseen; (ix) the ability to complete additional favorable uranium sales agreements, including whether fuel buyers will remain in the market and continue to focus on North American product; (x) the effects of the current evolving uranium market, including supply and demand, and whether increases in spot and term pricing will continue and be sustained; (xi) the impacts of global geopolitical events on the nuclear fuel industry and specifically U.S. uranium producers, including the war in Ukraine and other conflicts which may affect production, shipment and commitment of uranium and nuclear fuel supplies; (xii) whether new or continuing sanctions on Russia will affect imports of nuclear fuel to the U.S.; (xiii) whether proposals in Congress to support the nuclear industries will be made law and what effects they would have; and (xiv) impacts on the global markets of climate change initiatives of nations and multi-national companies. 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, bonding surety arrangements, and indemnifications for our inventory; 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 March 6, 2023.

Cautionary Note to Investors Concerning Disclosure of Mineral Resources

Unless otherwise indicated, all mineral resource estimates included in this report on Form 10-Q have been prepared in accordance with U.S. securities laws pursuant to Regulation S-K, Subpart 1300 ("S-K 1300"). Prior to these estimates, we prepared our estimates of mineral resources in accord 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 public disclosure an issuer makes of scientific and technical information concerning mineral projects. We are required by applicable Canadian Securities Administrators to file in Canada an NI 43-101 compliant report at the same time we file an S-K 1300 technical report summary. The NI 43-101 and S-K 1300 reports (for each of the Lost Creek Property and Shirley Basin Project), as amended, September 19, 2022, are substantively identical to one another except for internal references to the regulations under which the report is made, and certain organizational differences.

Investors should note that the term "mineral resource" does not equate to the term "mineral reserve." Mineralization may not be classified as a "mineral 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. 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 S-K 1300, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies. Additionally, as required under S-K 1300, our report on the Lost Creek Property includes two economic analyses to account for the chance that the inferred resources are not upgraded as production recovery progresses and the Company collects additional drilling data; the second economic analysis was prepared which excluded the inferred resources. The estimated recovery excluding the inferred resources also establishes the potential viability at the property, as detailed in the S-K 1300 report. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable.

PART I

Item 1. FINANCIAL STATEMENTS

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

	Note	September 30, 2023	December 31, 2022
Assets			
Current assets			
Cash	3	54,627	33,003
Accounts receivable	4	5,608	8
Inventory	5	4,701	9,903
Prepaid expenses		1,595	1,030
Total current assets		66,531	43,944
Non-current assets			
Restricted cash	6	8,434	8,137
Mineral properties	7	34,892	35,682
Capital assets	8	21,216	20,132
Total non-current assets		64,542	63,951
Total assets		**131,073**	**107,895**
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	9	3,316	1,168
Current portion of notes payable	10	5,603	5,366
Current portion of lease liability		123	-
Current portion of warrant liability	12	2,539	-
Environmental remediation accrual		69	69
Total current liabilities		11,650	6,603
Non-current liabilities			
Notes payable	10	1,463	5,694
Lease liability		556	16
Asset retirement obligations	11	31,110	30,701
Warrant liability	12	13,075	2,382
Total non-current liabilities		46,204	38,793
Shareholders' equity			
Share capital	13	294,869	258,646
Contributed surplus		19,814	19,843
Accumulated other comprehensive income		3,975	4,265
Accumulated deficit		(245,439)	(220,255)
Total shareholders' equity		73,219	62,499
Total liabilities and shareholders' equity		**131,073**	**107,895**

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Note	**2023**	**2022**	**2023**	**2022**
Sales	14	5,752	-	12,238	19
Cost of sales	15	(4,855)	(1,655)	(14,310)	(5,039)
Gross profit (loss)		**897**	**(1,655)**	**(2,072)**	**(5,020)**
Operating costs	16	(11,289)	(2,910)	(20,373)	(9,668)
Operating profit (loss)		**(10,392)**	**(4,565)**	**(22,445)**	**(14,688)**
Net interest income (expense)		406	(114)	1,079	(451)
Warrant liability revaluation gain (loss)	12	(7,216)	(295)	(4,155)	1,620
Foreign exchange gain (loss)		13	19	335	29
Other income (loss)	14	2	(7)	2	1,247
Net income (loss)		**(17,187)**	**(4,962)**	**(25,184)**	**(12,243)**
Foreign currency translation adjustment		144	87	(290)	137
Comprehensive income (loss)		**(17,043)**	**(4,875)**	**(25,474)**	**(12,106)**
Earnings (loss) per common share:					
Basic		(0.07)	(0.03)	(0.10)	(0.06)
Diluted		(0.07)	(0.03)	(0.10)	(0.06)
Weighted average common shares:					
Basic		265,279,380	221,844,180	257,385,661	219,431,614
Diluted		265,279,380	221,844,180	257,385,661	219,431,614

Ur-Energy Inc.
Interim 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)

Nine Months Ended September 30, 2023	Note	Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity
December 31, 2022		**224,699,621**	**258,646**	**19,843**	**4,265**	**(220,255)**	**62,499**
Exercise of stock options	13	536,183	429	(131)	-	-	298
Shares issued for cash	13	39,491,000	37,528	-	-	-	37,528
Share issue costs	13	-	(2,992)	-	-	-	(2,992)
Stock compensation		-	-	253	-	-	253
Comprehensive income (loss)		-	-	-	(317)	(713)	(1,030)
March 31, 2023		**264,726,804**	**293,611**	**19,965**	**3,948**	**(220,968)**	**96,556**
Share issue costs	13	-	(10)	-	-	-	(10)
Stock compensation		-	-	266	-	-	266
Comprehensive income (loss)		-	-	-	(117)	(7,284)	(7,401)
June 30, 2023		**264,726,804**	**293,601**	**20,231**	**3,831**	**(228,252)**	**89,411**
Exercise of stock options	**13**	1,005,541	960	(288)	-	-	672
Redemption of RSUs	**13**	241,857	308	(389)	-	-	(81)
Stock compensation		-	-	260	-	-	260
Comprehensive income (loss)		-	-	-	144	(17,187)	(17,043)
September 30, 2023		**265,974,202**	**294,869**	**19,814**	**3,975**	**(245,439)**	**73,219**

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Interim 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)

Nine Months Ended September 30, 2022	Note	Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity
December 31, 2021		**216,782,694**	**248,319**	**20,040**	**4,142**	**(203,115)**	**69,386**
Exercise of stock options	13	239,422	244	(73)	-	-	171
Exercise of warrants	13	259,000	308	-	-	-	308
Shares issued for cash	13	1,214,774	2,128	-	-	-	2,128
Share issue costs	13	-	(53)	-	-	-	(53)
Stock compensation		-	-	261	-	-	261
Comprehensive income (loss)		-	-	-	(108)	(6,928)	(7,036)
March 31, 2022		**218,495,890**	**250,946**	**20,228**	**4,034**	**(210,043)**	**65,165**
Exercise of stock options	13	80,603	81	(25)	-	-	56
Shares issued for cash	13	669,535	1,185	-	-	-	1,185
Share issue costs	13	-	(30)	-	-	-	(30)
Stock compensation		-	-	464	-	-	464
Comprehensive income (loss)		-	-	-	158	(353)	(195)
June 30, 2022		**219,246,028**	**252,182**	**20,667**	**4,192**	**(210,396)**	**66,645**
Exercise of stock options	**13**	320,000	269	(81)	-	-	188
Exercise of warrants	**13**	3,560,000	4,346	-	-	-	4,346
Stock compensation		-	-	239	-	-	239
Comprehensive income (loss)		-	-	-	87	(4,962)	(4,875)
September 30, 2022		**223,126,028**	**256,797**	**20,825**	**4,279**	**(215,358)**	**66,543**

Ur-Energy Inc.
Interim 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	Nine Months Ended September 30, 2023	2022
Cash provided by (used for):			
Operating activities			
Net income (loss) for the period		(25,184)	(12,243)
Items not affecting cash:			
Stock based compensation		779	964
Net realizable value adjustments		8,158	5,039
Amortization of mineral properties		828	936
Depreciation of capital assets		1,546	1,362
Accretion expense		371	339
Amortization of deferred loan costs		33	34
Provision for reclamation		-	(1)
Warrant liability revaluation loss (gain)		4,155	(1,620)
Unrealized foreign exchange loss (gain)		(329)	(27)
Changes in non-cash working capital:			
Accounts receivable		(5,600)	-
Inventory		(2,956)	(7,019)
Prepaid expenses		(565)	(481)
Accounts payable and accrued liabilities		2,105	381
		(16,659)	**(12,336)**
Investing activities			
Purchase of capital assets		(1,923)	(213)
		(1,923)	**(213)**
Financing activities			
Issuance of common shares and warrants for cash	13	46,637	3,313
Share issue costs	13	(3,002)	(83)
Proceeds from exercise of warrants and stock options		969	3,279
RSU redeemed for cash		(81)	-
Repayment of debt		**(4,027)**	**-**
		40,496	**6,509**
Effects of foreign exchange rate changes on cash		**7**	**(130)**
Increase (decrease) in cash, cash equivalents, and restricted cash		21,921	(6,170)
Beginning cash, cash equivalents, and restricted cash		41,140	54,155
Ending cash, cash equivalents, and restricted cash	17	**63,061**	**47,985**

(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 issuer, 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 recovery methods used by the Company on the Lost Creek Property, and the definition of "mineral reserves" under Subpart 1300 to Regulation S-K ("S-K 1300"), the Company has not determined whether the property contains mineral reserves. 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 interim 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 interim 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 interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022. 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 interim consolidated financial statements.

3. Cash and Cash Equivalents

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

Cash and cash equivalents	September 30, 2023	December 31, 2022
Cash on deposit	5,360	2,560
Money market accounts	49,267	30,443
	54,627	**33,003**

4. Accounts Receivable

The Company's accounts receivable consists of the following:

Accounts Receivable	September 30, 2023	December 31, 2022
Trade receivables	5,605	-
Other receivables	3	8
	5,608	**8**

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

Trade receivables included $5.4 million from the sale of U_3O_8 in September. The receivable was collected in October.

5. Inventory

The Company's inventory consists of the following:

Inventory by Type	September 30, 2023	December 31, 2022
Plant inventory	949	-
Conversion facility inventory	3,752	9,903
	4,701	**9,903**

Using lower of cost or net realizable value ("NRV") calculations, the Company reduced the inventory valuation by $8,158 and $5,039 for the nine months ended September 30, 2023, and September 30, 2022, respectively.

6. Restricted Cash

The Company's restricted cash consists of the following:

Restricted Cash	September 30, 2023	December 31, 2022
Cash pledged for reclamation	8,434	8,137
	8,434	**8,137**

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 accounts are pledged as collateral against performance surety bonds, which secure the estimated costs of reclamation related to the properties. Surety bonds totaling $28.4 million and $28.3 million as of September 30, 2023, and December 31, 2022, respectively, provide coverage for the reclamation obligations and are collateralized by restricted cash.

7. Mineral Properties

The Company's mineral properties consist of the following:

Mineral Properties	Lost Creek Property	Shirley Basin Property	Other U.S. Properties	Total
December 31, 2022	**3,280**	**17,688**	**14,714**	**35,682**
Change in estimated reclamation costs	-	38	-	38
Depletion and amortization	(828)	-	-	(828)
September 30, 2023	**2,452**	**17,726**	**14,714**	**34,892**

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

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.

Shirley Basin Property

The Company acquired additional Wyoming properties in 2013 when Ur-Energy USA Inc. purchased 100% of Pathfinder Mines Corporation (“Pathfinder”). Assets acquired in this transaction include the Shirley Basin property, other Wyoming properties, 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.

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.

8. Capital Assets

The Company’s capital assets consist of the following:

	September 30, 2023			December 31, 2022		
Capital Assets	**Cost**	**Accumulated Depreciation**	**Net Book Value**	**Cost**	**Accumulated Depreciation**	**Net Book Value**
Rolling stock	4,996	(3,618)	1,378	3,486	(3,437)	49
Enclosures	35,167	(16,423)	18,744	34,379	(15,164)	19,215
Machinery and equipment	1,935	(1,067)	868	1,659	(1,007)	652
Furniture and fixtures	265	(159)	106	265	(144)	121
Information technology	1,145	(1,037)	108	1,114	(1,035)	79
Right of use assets	14	(2)	12	33	(17)	16
	43,522	**(22,306)**	**21,216**	**40,936**	**(20,804)**	**20,132**

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

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

Accounts Payable and Accrued Liabilities	September 30, 2023	December 31, 2022
Accounts payable	2,372	660
Accrued payroll liabilities	780	449
Accrued severance, ad valorem, and other taxes payable	164	59
	3,316	**1,168**

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 scheduled 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 resumed on October 1, 2022, and the last payment is due on October 1, 2024.

The following table summarizes the Company’s current and long-term debt.

Current and Long-term Debt	September 30, 2023	December 31, 2022
Current		
State Bond Loan	5,646	5,409
Deferred financing costs	(43)	(43)
	5,603	**5,366**
Long-term		
State Bond Loan	1,463	5,727
Deferred financing costs	-	(33)
	1,463	**5,694**

The schedule of remaining payments on outstanding debt as of September 30, 2023, is presented below.

Remaining Payments	Total	2023	2024	Final Payment
State Bond Loan				
Principal	7,109	1,382	5,727	Oct-2024
Interest	309	102	207	
	7,418	**1,484**	**5,934**	

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

11. Asset Retirement Obligations

Asset retirement obligations ("ARO") relate to the Lost Creek mine and Shirley Basin project 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 from0.33% to 9.23%. Current estimated reclamation costs include costs of closure, reclamation, demolition and stabilization of the wellfields, 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, 2022	**30,701**
Change in estimated reclamation costs	38
Accretion expense	371
September 30, 2023	**31,110**

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

12. Warrant Liability

In February 2021, we issued16,930,530 warrants as part of an underwritten public offering withtwo warrants redeemable for one common shareof the Company's stock at a price of $1.35 per full share. The warrants will expire in February 2024.

In February 2023, we issued39,100,000 warrants as part of an underwritten public offering withtwo warrants redeemable for one common shareof the Company's stock at a price of $1.50 per full share. The warrants will expire in February 2026.

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 monthly, is calculated using the Black-Scholes model 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.

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

The Company's warrant liabilities consist of the following:

Warrant Liability Activity	Feb-2021 Warrants	Feb-2023 Warrants	Total
December 31, 2022	**2,382**	**-**	**2,382**
Warrants issued	-	9,109	9,109
Mark to market revaluation loss (gain)	154	4,000	4,154
Effects for foreign exchange rate changes	3	(34)	(31)
September 30, 2023	**2,539**	**13,075**	**15,614**

Warrant Liability Duration	Feb-2021 Warrants	Feb-2023 Warrants	Total
Current portion of warrant liability	2,539	-	2,539
Long-term warrant liability	-	13,075	13,075
	2,539	**13,075**	**15,614**

The fair value of the warrant liabilities on September 30, 2023, was determined using the Black-Scholes model with the following assumptions:

Black-Scholes Assumptions as of September 30, 2023	Feb-2021 Warrants	Feb-2023 Warrants
Expected forfeiture rate	0.0%	0.0%
Expected life (years)	0.3	2.4
Expected volatility rate	52.9%	66.2%
Risk free rate	4.8%	4.7%
Expected dividend rate	0.0%	0.0%
Exercise price	$ 1.35	$ 1.50
Market price	$ 1.54	$ 1.54

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 265,974,202 shares and 224,699,621 shares were issued and outstanding as of September 30, 2023, and December 31, 2022, respectively.

On February 4, 2021, the Company closed an underwritten public offering of14,722,200 common shares and accompanying warrants to purchase up to7,361,100 common shares, at a combined public offering price of $0.90 per common share and accompanying warrant. The warrants 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 accompanying warrants to purchase up to8,465,265 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.

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

On February 21, 2023, the Company closed an underwritten public offering of 34,000,000 common shares and accompanying warrants to purchase up to 17,000,000 common shares, at a combined public offering price of $1.18 per common share and accompanying warrant. The warrants have an exercise price of $1.50 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 5,100,000 common shares and warrants to purchase up to 2,550,000 common shares on the same terms. The option was exercised in full. Including the exercised option, Ur-Energy issued a total of 39,100,000 common shares and accompanying warrants to purchase up to 19,550,000 common shares. The gross proceeds to Ur-Energy from this offering were approximately $46.1 million. After fees and expenses of $3.0 million, net proceeds to the Company were approximately $43.1 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 June 2, 2023. 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: one-third on the first anniversary, one-third on the second anniversary, and one-third 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, 2022	**8,574,904**	**0.66**
Granted	1,371,432	1.15
Exercised	(1,541,724)	0.64
Forfeited	(11,826)	1.15
Expired	(8,852)	0.69
September 30, 2023	**8,383,934**	**0.74**

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 $1.0 and $0.4 million from options exercised in the nine months ended September 30, 2023, and September 30, 2022, respectively. Stock-based compensation expense from stock options was $0.2 million and $0.5 million for the three and nine months ended September 30, 2023, and $0.2 million and $0.7 million for the three and nine months ended September 30, 2022, respectively.

As of September 30, 2023, there was approximately $0.9 million of 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.

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

As of September 30, 2023, outstanding stock options are as follows:

	Options Outstanding			Options Exercisable			
Exercise Price	**Number of Options**	**Weighted-average Remaining Contractual Life**	**Aggregate Intrinsic Value**	**Number of Options**	**Weighted-average Remaining Contractual Life**	**Aggregate Intrinsic Value**	**Expiry**
$	#	years	$	#	years	$	
0.67	641,651	0.2	558,566	641,651	0.2	558,566	2023-12-14
0.58	2,270,584	1.1	2,177,029	2,270,584	1.1	2,177,029	2024-11-05
0.46	2,634,421	2.1	2,835,978	1,846,542	2.1	1,987,819	2025-11-13
1.06	1,302,672	2.9	626,054	925,045	2.9	444,569	2026-08-27
1.64	175,000	3.5	-	58,333	3.5	-	2027-03-14
1.14	1,359,606	4.3	543,387	-	-	-	2028-01-04
0.74	**8,383,934**	**2.2**	**6,741,014**	**5,742,155**	**1.6**	**5,167,983**	

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 nine months ended September 30, 2023 (approximately US$1.54), that would have been received by the option holders had they exercised their options on that date. There were 8,208,934 in-the-money stock options outstanding and 5,683,822 in-the-money stock options exercisable as of September 30, 2023.

The fair value of stock options granted in the nine months ended September 30, 2023 was determined using the Black-Scholes model with the following assumptions:

Stock Options Fair Value Assumptions	2023
Expected forfeiture rate	5.3%
Expected life (years)	4.0
Expected volatility	74.7%
Risk free rate	3.5%
Expected dividend rate	-
Weighted average exercise price (CAD$)	$ 1.55
Black-Scholes value (CAD$)	$ 0.89

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 and now known as the Restricted Share Unit and Equity Incentive Plan (the "RSU&EI Plan"). The RSU&EI Plan was approved by our shareholders most recently on June 2, 2022.

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 redemption, the holder of the RSU will receive one common share, for no additional consideration, for each RSU held.

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

Activity with respect to RSUs is summarized as follows:

Restricted Share Unit Activity	Outstanding RSUs	Weighted-average Grant Date Fair Value
	#	$
December 31, 2022	**305,530**	**1.14**
Granted	342,852	1.15
Released	(305,530)	1.14
Forfeited	(2,957)	1.15
September 30, 2023	**339,895**	**1.15**

Stock-based compensation expense from RSUs was $0.1 million and $0.2 million for the three and nine months ended September 30, 2023, and $0.1 million and $0.3 million for the three and nine months ended September 30, 2022, respectively.

As of September 30, 2023, there was approximately $0.2 million of 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 1.3 years under the RSU&EI Plan.

As of September 30, 2023, outstanding RSUs were as follows:

Number of RSUs	Weighted-average Remaining Contractual Life	Aggregate Intrinsic Value	Redemption Date
#	years	$	
339,895	1.3	523,438	2025-01-04
339,895	**1.3**	**523,438**	

The fair value of restricted share units granted in the nine months ended September 30, 2023 was determined using the Intrinsic Value Method with the following assumptions:

Restricted Share Unit Fair Value Assumptions	2023
Expected forfeiture rate	3.8%
Grant date fair value (CAD$)	$ 1.55

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

Warrants

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.

In February 2023, the Company issued 39,100,000 warrants to purchase 19,550,000 of our common shares at $1.50 per full share.

Activity with respect to warrants is summarized as follows:

Warrant Activity	Outstanding Warrants	Number of Shares to be Issued Upon Exercise	Per Share Exercise Price
	#	#	$
December 31, 2022	**16,730,530**	**8,365,265**	**1.35**
Issued	39,100,000	19,550,000	1.50
September 30, 2023	**55,830,530**	**27,915,265**	**1.46**

No warrants were exercised in the nine months ended September 30, 2023.

As of September 30, 2023, outstanding warrants were as follows:

Exercise Price	Number of Warrants	Weighted-average Remaining Contractual Life	Aggregate Intrinsic Value	Expiry
$	#	years	$	
1.35	16,730,530	0.3	1,589,400	2024-02-04
1.50	39,100,000	2.4	782,000	2026-02-21
1.46	**55,830,530**	**1.8**	**2,371,400**	

Fair value calculation assumptions for stock options, restricted share units, and warrants

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. Estimated forfeitures and expected lives were based on actual historical experience.

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

14. Sales and Other Income

Revenue is primarily derived from the sale of U_3O_8 under multi-year agreements or spot sales agreements. The Company also receives disposal fee revenues, which are not related to the sale of U_3O_8.

Revenues for the nine months ended September 30, 2023 were as follows:

Revenue Summary	Nine Months Ended September 30, 2023 $	2023 %	2022 $	2022 %
Customer A	6,447	52.7%	-	0.0%
Customer B	5,440	44.5%	-	0.0%
U_3O_8 sales	11,887	97.2%	-	0.0%
Disposal fees	351	2.8%	19	100.0%
	12,238	**100.0%**	**19**	**100.0%**

During March 2022, we sold a royalty interest related to Strata Energy's Lance Uranium ISR Project for $1.3 million. There was no carrying value related to the royalty on our balance sheet therefore the entire amount was recognized as other income.

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:

Cost of Sales	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cost of product sales	2,523	-	6,152	-
Lower of cost or NRV adjustments	2,332	1,655	8,158	5,039
	4,855	**1,655**	**14,310**	**5,039**

16. Operating Costs

Operating expenses include exploration and evaluation expense, development expense, general and administration ("G&A") expense, and mineral property write-offs. Exploration and evaluation expenses consist 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 expenses also include 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.

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

Operating costs consist of the following:

Operating Costs	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Exploration and evaluation	512	422	1,687	1,421
Development	9,339	1,188	13,577	3,137
General and administration	1,314	1,186	4,738	4,771
Accretion	124	114	371	339
	11,289	**2,910**	**20,373**	**9,668**

17. Supplemental Information for Statement of Cash Flows

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

Cash and Cash Equivalents, and Restricted Cash	September 30, 2023	September 30, 2022
Cash and cash equivalents	54,627	39,920
Restricted cash	8,434	8,065
	63,061	**47,985**

Interest expense paid was $0.4 million and 0.5 million for the nine months ended September 30, 2023, and 2022, respectively.

18. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, accounts payable and accrued liabilities, warrant liability 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, accounts receivable, 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 $0.6 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation, or the U.S. Federal Deposit Insurance Corporation, leaving approximately $68.1 million at risk on September 30, 2023, 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 September 30, 2023.

Currency risk

As of September 30, 2023, we maintained a foreign currency balance of approximately CDN$2.4 million. The funds will be used to pay Canadian dollar expenses and are considered to be a low currency risk to the Company.

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 September 30, 2023, the Company's current financial liabilities consisted of accounts payable and accrued liabilities of $3.3 million, and $5.6 million for the current portion of notes payable.

As of September 30, 2023, we had $54.6 million of cash and cash equivalents.

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 nine months ended September 30, 2023. 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.

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

Business Overview

The following discussion and analysis by management 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 should be read in conjunction with the audited financial statements and MD&A contained in our Annual Report on Form 10-K for the year ended December 31, 2022.

Incorporated on March 22, 2004, Ur-Energy is an exploration stage issuer, as that term is defined by the SEC. We are engaged in uranium 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 facility 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, incorporated under the laws of the State of Delaware, which holds, among other assets, the Shirley Basin Project in Wyoming. Our material U.S. subsidiaries remain unchanged since the filing of our Annual Report on Form 10-K, dated March 6, 2023.

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. After sale, when further processed, the uranium we have produced fuels carbon-free, emissions-free nuclear power which is a cost-effective, safe, and reliable form of electrical power. Nuclear power provides an estimated 50% of the carbon-free electricity in the U.S.

Our Lost Creek wellfield is permitted and licensed for annual recovery of up to 1.2 million pounds U_3O_8. The processing facility at Lost Creek, which includes all circuits for the production, drying and packaging of U_3O_8 for delivery into sales transactions, is designed and approved under current licensing to process up to 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 will be utilized to process captured U_3O_8 from our Shirley Basin Project for which we anticipate only a satellite plant will be built. 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.

The year 2023 began with domestically produced U_3O_8 inventory being delivered to the national uranium reserve established by the U.S. Department of Energy ("DOE"), National Nuclear Security Administration ("NNSA"). We were among the contract awards made by the NNSA reserve program in December 2022, and we delivered 100,000 pounds U_3O_8 in January 2023 at a sales price of $64.47 per pound. Proceeds of $6.4 million were received by the Company shortly after delivery. During Q3, we made our first delivery into our term sales agreements, selling 90,000 pounds U_3O_8, and thereafter received proceeds of $5.4 million. A second delivery of 90,000 pounds U_3O_8 is scheduled to be made in Q4 2023. Currently, our sales deliveries in 2024 are projected to be 570,000 pounds U_3O_8 into two of our three previously announced sales agreements.

Our multi-year sales agreements, collectively, call for deliveries beginning in 2023 and continuing through 2028, with the possibility of deliveries continuing under one agreement into 2029. Including the January DOE NNSA sale, we expect to sell 280,000 pounds U_3O_8 in 2023 for $17.3 million. Our current anticipated revenues 2023 – 2028 will be approximately $220 million.

Uranium Market Update

Global and domestic support for carbon free nuclear power continues to grow, as it becomes more widely recognized as the only scalable source of reliable, baseload energy. Supply-demand fundamentals are strengthening with the supply gap widening as secondary inventories decline while projections are for sustained growth of nuclear power through traditional uses and the construction of advanced reactors of various types. Additionally, projections for sustained growth of nuclear power globally in coming years continue to incentivize investment in the fuel cycle industries.

Many nations have vowed to accelerate decarbonization efforts through renewable energy development and support for greater nuclear capacity, in recognition that nuclear energy provides clean baseload energy, high-quality long-term jobs, economic growth and energy security. The growing support for nuclear power is based not only on its carbon free attributes, but also on nations' objective to have energy security through energy independence. After Russia's invasion of Ukraine, some European nations expedited their nuclear buildout programs to reduce their reliance on natural gas sourced from an increasingly violent and unreliable neighbor.

Whether through federal legislation in the U.S., or sanctions and other geopolitical forces, any cessation of imports of nuclear fuel from Russia will create greater uncertainty into the supply chain as Russia is a major global supplier and the West has limited capacity to backfill any supply disruption.

During Q3, the coup in Niger increased concerns of secure uranium production and supply. Niger is estimated to produce approximately four percent of global uranium, but as much as 25% of European supply. These and other, more general, geopolitical tensions throughout the world have caused nuclear fuel purchasers to return to purchasing earlier than many projections, with a focus on North American production due to its geopolitical stability.

Other uranium supply risks (macroeconomics, weather, transportation, and supply chain disruption and the shortage of experienced and skilled labor affecting production operations) are also now being more thoughtfully considered by fuel purchasers. As producers have resumed production operations following the pandemic and in light of a stronger market, delays and shortfalls are being experienced because of these factors; similarly, there are reports that the conversion facilities are encountering challenges to their ramp-up and restart of processing.

Mineral Rights and Properties

We have 12 U.S. uranium properties. Ten of our uranium properties are 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 more than 35,000 acres in the area of the Lost Creek Property, including the Lost Creek permit area (the "Lost Creek 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 permit area, also in Wyoming, comprises nearly 1,800 acres of Company-controlled mineral acres.

Lost Creek Property

Ramp-up of operations at Lost Creek progressed in Q3 with the first two new header houses in production in Mine Unit 2 (MU2): HH 2-4 and, most recently, HH 2-5. During the quarter, we produced approximately 30,491 pounds U_3O_8 from HH 2-4. Production rates are expected to continue to increase as additional header houses in MU2 come online, including houses planned to come into production 2023 Q4.

While the restart at Lost Creek has encountered both familiar and new challenges, operations staff continue to resolve start-up issues and refine our current recovery operations. Among the more significant new challenges has been recruitment and retention of employees and contractors. Turnover in this early stage of restaffing Lost Creek has hampered training and therefore efficient operations. The Wyoming labor market has similarly affected our contractors. Together with the record-setting winter of 2022-2023, these labor-related issues have resulted in initial work being slowed at Lost Creek. However, we are seeing steady improvement in production activities as our increasing number of core staff have more time on the job, and we expect these inefficiencies will be overcome. We also anticipate that as the Wyoming unemployment rate stabilizes our contractors will also find long-term employees.

Primary well casing installation is complete in HH 2-6, and completion work is nearly done in that area. Drilling and well installation continues in planned recovery areas in HHs 2-7 and 2-8. Delineation drilling is nearly complete in the recovery areas of HH 2-10 and will continue in order to support pattern design for the remaining areas of MU2 (HHs 2-11 through 2-14). Long-lead items continue to be ordered, with such items ordered for planned needs through 2024 H1. All procurement of construction materials is completed for activities planned into 2024 Q1. Surface construction of injection and production systems for upcoming recovery areas continues to advance including the installation of pipelines, powerlines, downhole equipment and the header house building including its primary motor control, piping and controls.

As previously disclosed, we began the drilling and construction of an additional deep disposal well at Lost Creek in early July, with the drilling phase completed in July. Well completion and testing continued throughout 2023 Q3, with final completion work planned for 2023 Q4. When this work is complete, we will obtain remaining regulatory approvals followed by specification of surface injection equipment. In advance of operation, procurement and installation of the powerline will be complete in 2023 Q4 enabling anticipated operation in late 2023 or 2024 Q1.

Supply chain disruption continues to be a global and uranium industry issue. While most in industry continue to face procurement challenges, our advanced ordering and recycling of old equipment at Lost Creek have allowed us to largely overcome the issue with minimal delays. We will continue to order equipment and materials well in advance and keep a close eye on lead times for critical items.

The first two mine units at Lost Creek have all appropriate permits necessary for commercial level operations. We have received Wyoming Uranium Recovery Program (“URP”) approval of the amendment to the Lost Creek source material license to include recovery from the LC East Project (HJ and KM horizons) immediately adjacent to the Lost Creek Project and additional HJ horizons at the Lost Creek Project. We await only the approval by the Wyoming Department of Environmental Quality (“WDEQ”), Land Quality Division (“LQD”) of the amendment to the Lost Creek permit to mine adding HJ and KM horizons at LC East and HJ mine units at Lost Creek. We anticipate the LQD review will be complete in 2023.

Shirley Basin

Based on our advanced negotiations with three nuclear fuel purchasers and the strengthening market, we are proceeding with additional tasks to advance Shirley Basin. Although a decision approving a move to construction has not been made, we are advancing procurement of long-lead items for the Shirley Basin Project, as well as other activities in the field. We anticipate these advance preparations will shorten the time for construction and ramp up when the “go” decision is made by our Board to proceed with construction.

Shirley Basin is fully permitted and licensed, with all major regulatory approvals for construction. The project has a licensed wellfield capacity of one million pounds U_3O_8 per year. We currently estimate it will take up to 24 months to complete all procurement, development activities and construction of the satellite facility and associated first mine unit to initiate production. This estimate is based on the long lead times we are seeing for critical equipment; especially for electrical equipment. The decision to proceed with construction of the satellite and first mine unit for production operations will be considered on an ongoing basis as the uranium market and our contract book evolve.

Research and Development

As priorities at Lost Creek and Shirley Basin allow, we continue to pursue several research and development projects with an objective to introduce new methods of cost-effective technology to our Lost Creek Project, and to Shirley Basin when it is constructed. Phase Two testing of our new injection well material and well installation technology is continuing.

We also continue to progress work on engineering of an advanced water treatment system. Beyond water recycling gains already achieved with our industry-leading Class V circuit, the new system may allow an additional 90% reduction of disposed water. This project is in advanced-stage planning, and design and construction plans will continue to progress through 2023 H2.

Casper Operations Headquarters

Our new multipurpose central services facility in Casper was completed earlier this year. We now have a fully staffed Casper construction team hard at work constructing, wiring and automating the next header houses for installation at Lost Creek. HHs 2-6 and 2-7 are nearing completion and work has begun on HH 2-8. Additionally, our chemistry laboratory is fully staffed.

Already we are realizing our plan for this centralized construction facility to provide numerous safety, environmental and financial advantages to our Lost Creek operation, including a reduction of commuting vehicles and related emissions. This facility will allow us to conduct these functions for Shirley Basin when it becomes our second production site.

Results of Operations

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

The following tables include measures such as U_3O_8 sales, U_3O_8 cost of sales, U_3O_8 gross profit, U_3O_8 pounds sold, U_3O_8 price per pound sold, U_3O_8 cost per pound sold, and U_3O_8 gross profit per pound sold. These measures do not have standardized meanings 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. The following two tables provide a reconciliation of U_3O_8 price per pound sold and U_3O_8 cost per pound sold to the consolidated financial statements. U_3O_8 sales, U_3O_8 cost of sales, U_3O_8 gross profit, and the related cost per pound measures exclude disposal fees and lower of cost or NRV adjustments.

U_3O_8 Price per Pound Sold Reconciliation

	Unit	2023 Q1	2023 Q2	2023 Q3	YTD 2023
Sales per financial statements	\$ 000	6,447	39	5,752	12,238
Disposal fees	\$ 000	-	(39)	(312)	(351)
U_3O_8 sales	\$ 000	6,447	-	5,440	11,887
U_3O_8 pounds sold	lb	100,000	-	90,000	190,000
U_3O_8 price per pound sold	\$/lb	64.47	-	60.44	62.56

Sales per financial statements includes U_3O_8 sales and disposal fees. Disposal fees received at Pathfinder's Shirley Basin property do not relate to the sale of U_3O_8 and are excluded from the U_3O_8 sales and U_3O_8 price per pound measures.

U_3O_8 Cost per Pound Sold Reconciliation

	Unit	2023 Q1	2023 Q2	2023 Q3	YTD 2023
Cost of sales per financial statements	\$ 000	6,504	2,951	4,855	14,310
Lower of cost or NRV adjustment	\$ 000	(2,875)	(2,951)	(2,332)	(8,158)
U_3O_8 cost of sales	\$ 000	3,629	-	2,523	6,152
U_3O_8 pounds sold	lb	100,000	-	90,000	190,000
U_3O_8 cost per pound sold	\$/lb	36.29	-	28.03	32.38

Cost of sales per the financial statements includes U_3O_8 costs of sales and lower of cost or NRV adjustments. U_3O_8 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 in the financial statements. NRV adjustments, if any, do not relate to the sale of U_3O_8 and are excluded from the U_3O_8 cost of sales and U_3O_8 cost per pound sold measures.

U_3O_8 Sales

The following table provides information on our U_3O_8 sales during 2023. There were no spot sales in 2023 and there were no comparable U_3O_8 sales in 2022.

	Unit	2023 Q1	2023 Q2	2023 Q3	YTD 2023
U_3O_8 Sales by Product					
U_3O_8 Sales					
Produced	$ 000	2,789	-	5,440	8,229
Purchased	$ 000	3,658	-	-	3,658
	$ 000	**6,447**	**-**	**5,440**	**11,887**
U_3O_8 Pounds Sold					
Produced	lb	43,259	-	90,000	133,259
Purchased	lb	56,741	-	-	56,741
	lb	**100,000**	**-**	**90,000**	**190,000**
U_3O_8 Price per Pounds Sold					
Produced	$/lb	64.47	-	60.44	61.75
Purchased	$/lb	64.47	-	-	64.47
	$/lb	**64.47**	**-**	**60.44**	**62.56**

As previously announced, the Company made the decision to ramp up operations after securing new term contracts in 2022 with initial deliveries beginning in 2023.

During 2022, we submitted a bid to the U.S. DOE uranium reserve program. In December 2022, we were notified by the DOE that our bid was accepted, and 100,000 pounds were delivered to the DOE in 2023 Q1 at an average price per pound sold of $64.47. The delivery included both produced and previously purchased pounds.

In 2023 Q3, we delivered 90,000 pounds into term contracts at an average price of $60.44.

U_3O_8 Cost of Sales

The following table provides information on our U_3O_8 cost of sales during 2023. There was no comparable U_3O_8 cost of sales in 2022.

	Unit	2023 Q1	2023 Q2	2023 Q3	YTD 2023
U_3O_8 Cost of Sales by Product					
U_3O_8 Cost of Sales					
Ad valorem and severance taxes	$ 000	26	-	53	79
Cash costs	$ 000	805	-	1,674	2,479
Non-cash costs	$ 000	383	-	796	1,179
Produced	$ 000	1,214	-	2,523	3,737
Purchased	$ 000	2,415	-	-	2,415
	$ 000	**3,629**	**-**	**2,523**	**6,152**
U_3O_8 Pounds Sold					
Produced	lb	43,259	-	90,000	133,259
Purchased	lb	56,741	-	-	56,741
	lb	**100,000**	**-**	**90,000**	**190,000**
U_3O_8 Cost per Pound Sold					
Ad valorem and severance taxes	$/lb	0.60	-	0.59	0.59
Cash costs	$/lb	18.61	-	18.60	18.60
Non-cash costs	$/lb	8.85	-	8.84	8.85
Produced	$/lb	28.06	-	28.03	28.04
Purchased	$/lb	42.56	-	-	42.56
	$/lb	**36.29**	**-**	**28.03**	**32.38**

In 2023 Q1, the 100,000 pounds sold to the DOE consisted of 43,259 produced pounds and 56,741 purchased pounds. During 2022, we purchased 40,000 pounds U_3O_8 at $49.50 per pound, which increased the average cost per pound purchased to $42.56. The average cost per produced pound sold was $28.06, and together with the purchased pounds, the average cost per pound sold was $36.29.

In 2023 Q3, the 90,000 pounds sold were all produced pounds and the average cost per produced pounds sold was $28.03 per pound.

U_3O_8 Gross Profit

The following table provides information on our U_3O_8 gross profit during 2023. There was no comparable U_3O_8 gross profit in 2022.

	Unit	2023 Q1	2023 Q2	2023 Q3	YTD 2023
U_3O_8 Gross Profit by Product					
U_3O_8 Sales					
Produced	$ 000	2,789	-	5,440	8,229
Purchased	$ 000	3,658	-	-	3,658
	$ 000	**6,447**	**-**	**5,440**	**11,887**
U_3O_8 Cost of Sales					
Produced	$ 000	1,214	-	2,523	3,737
Purchased	$ 000	2,415	-	-	2,415
	$ 000	**3,629**	**-**	**2,523**	**6,152**
U_3O_8 Gross Profit					
Produced	$ 000	1,575	-	2,917	4,492
Purchased	$ 000	1,243	-	-	1,243
	$ 000	**2,818**	**-**	**2,917**	**5,735**
U_3O_8 Pounds Sold					
Produced	lb	43,259	-	90,000	133,259
Purchased	lb	56,741	-	-	56,741
	lb	**100,000**	**-**	**90,000**	**190,000**
U_3O_8 Gross Profit per Pound Sold					
Produced	$/lb	36.41	-	32.41	33.71
Purchased	$/lb	21.91	-	-	21.91
	$/lb	**28.18**	**-**	**32.41**	**30.18**
U_3O_8 Gross Profit Margin					
Produced	%	56.5%	-	53.6%	54.6%
Purchased	%	34.0%	-	0.0%	34.0%
	%	**43.7%**	**-**	**53.6%**	**48.2%**

In 2023 Q1, the average price per pound sold was $64.47 and the average cost per pound sold was $36.29, which resulted in an average gross profit per pound sold of $28.18 and an average gross profit margin of nearly 44%.

In 2023 Q3, the average price per pound sold was $60.44 and the average cost per pound sold was $28.03, which resulted in an average gross profit per pound sold of $32.41 and an average gross profit margin of nearly 54%.

U_3O_8 Production and Ending Inventory

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

	Unit	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 YTD
U_3O_8 Production						
Pounds captured	lb	85	156	4,392	30,491	35,039
Pounds drummed	lb	-	-	-	15,759	15,759
U_3O_8 Ending Inventory						
Pounds						
In-process inventory	lb	1,357	1,498	5,801	20,396	
Plant inventory	lb	-	-	-	15,759	
Conversion inventory - produced	lb	267,049	223,790	223,790	133,790	
Conversion inventory - purchased	lb	56,741	-	-	-	
	lb	**325,147**	**225,288**	**229,591**	**169,945**	
Value						
In-process inventory	$ 000	-	-	-	-	
Plant inventory	$ 000	-	-	-	949	
Conversion inventory - produced	$ 000	7,488	6,275	6,275	3,752	
Conversion inventory - purchased	$ 000	2,415	-	-	-	
	$ 000	**9,903**	**6,275**	**6,275**	**4,701**	
Cost per Pound						
In-process inventory	$/lb	-	-	-	-	
Plant inventory	$/lb	-	-	-	60.22	
Conversion inventory - produced	$/lb	28.04	28.04	28.04	28.04	
Conversion inventory - purchased	$/lb	42.56	-	-	-	
Conversion inventory average	**$/lb**	**30.58**	**28.04**	**28.04**	**28.04**	
Produced conversion inventory detail						
Ad valorem and severance tax	$/lb	0.59	0.59	0.59	0.59	
Cash cost	$/lb	18.60	18.60	18.60	18.60	
Non-cash cost	$/lb	8.85	8.85	8.85	8.85	
	$/lb	**28.04**	**28.04**	**28.04**	**28.04**	

Following our decision to ramp up in late 2022, production rates began to increase in late 2023 Q2 after bringing HH 2-4 online. In 2023 Q3, we produced 30,491 pounds from HH 2-4 and, in late 2023 Q3, we brought HH 2-5 online. The Casper construction facility is fully staffed and operating as planned to allow for the construction of additional header houses. HHs 2-6 and 2-7 are nearing completion, and construction is beginning on HH 2-8. Production is expected to increase as new header houses are brought online.

As production increased, the plant began to dry and package U_3O_8. During 2023 Q3, 15,759 pounds were drummed and remained in the plant inventory at quarter end. The plant inventory cost per pound is expected to decrease as production increases. Shipments to the conversion facility are expected to begin in 2023 Q4.

Three and nine months ended September 30, 2023, compared to the three and nine months ended September 30, 2022

The following table summarizes the results of operations for the three and nine months ended September 30, 2023, and 2022:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	**2022**	**Change**	**2023**	**2022**	**Change**
Sales	5,752	-	5,752	12,238	19	12,219
Cost of sales	(4,855)	(1,655)	(3,200)	(14,310)	(5,039)	(9,271)
Gross profit (loss)	897	(1,655)	2,552	(2,072)	(5,020)	2,948
Operating costs	(11,289)	(2,910)	(8,379)	(20,373)	(9,668)	(10,705)
Operating profit (loss)	(10,392)	(4,565)	(5,827)	(22,445)	(14,688)	(7,757)
Net interest income (expense)	406	(114)	520	1,079	(451)	1,530
Warrant mark to market gain (loss)	(7,216)	(295)	(6,921)	(4,155)	1,620	(5,775)
Foreign exchange gain (loss)	13	19	(6)	335	29	306
Other income (loss)	2	(7)	9	2	1,247	(1,245)
Net loss	**(17,187)**	**(4,962)**	**(12,225)**	**(25,184)**	**(12,243)**	**(12,941)**
Foreign currency translation adjustment	144	87	57	(290)	137	(427)
Comprehensive income (loss)	**(17,043)**	**(4,875)**	**(12,168)**	**(25,474)**	**(12,106)**	**(13,368)**
Earnings (loss) per common share:						
Basic	(0.07)	(0.03)	(0.04)	(0.10)	(0.06)	(0.04)
Diluted	(0.07)	(0.03)	(0.04)	(0.10)	(0.06)	(0.04)
U_3O_8 pounds sold	90,000	-	90,000	190,000	-	190,000
U_3O_8 price per pound sold	60.44	-	60.44	62.56	-	62.56
U_3O_8 cost per pound sold	28.03	-	28.03	32.38	-	32.38
U_3O_8 gross profit per pound sold	32.41	-	32.41	30.18	-	30.18

Sales

In the three months ended September 30, 2023, we recorded uranium sales of $5.4 million from the sale of 90,000 pounds at an average price of $60.44 per pound. In addition, we recorded $0.3 of disposal fees during the quarter. There were no uranium sales or disposal fees in the comparable 2022 period.

In the first nine months of 2023, we recorded uranium sales of $11.9 million from the sale of 190,000 pounds at an average price of $62.56 per pound. There were no uranium sales in the first nine months of 2022. Disposal fees were $0.4 million in the first nine months of 2023 and were minimal in the comparable 2022 period.

Cost of Sales

Cost of sales consists of the following:

Cost of Sales	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Cost of product sales	2,523	-	6,152	-
Lower of cost or NRV adjustments	2,332	1,655	8,158	5,039
	4,855	**1,655**	**14,310**	**5,039**

Cost of sales per the financial statements includes the cost of U_3O_8 product sales and lower of cost or NRV adjustments related to U_3O_8 inventory values.

In the three months ended September 30, 2023, cost of sales included $2.5 million from selling 90,000 pounds of U_3O_8 at an average cost per pound sold of $28.03. For the nine months ended September 30, 2023, cost of sales included $6.2 million from selling 190,000 pounds of U_3O_8 at an average cost per pound sold of $32.38. There was no uranium cost of sales in the comparable 2022 periods.

Lower of cost or NRV adjustments for the three and nine months ended September 30, 2023 increased from the comparable 2022 periods. The increases reflect the Company's decision to ramp up operations and increase production rates. As expected, production costs have risen in advance of production rate increases, which has led to greater NRV adjustments in 2023 as compared to 2022.

Following the Company's decision to ramp up operations, production resumed in late 2023 Q2 and increased in 2023 Q3. Production is expected to continue increasing until we reach our targeted rates of production. The 2023 Q3 NRV adjustment was $0.7 million less than the 2023 Q2 adjustment and we expect NRV adjustments will continue to decrease as production increases.

Gross Profit (Loss)

For the three months ended September 30, 2023, we had a gross profit of $0.9 million and for the nine months ended September 30, 2023, we had a gross loss of $2.1 million. The gross losses for the three and nine months ended September 30, 2022, were $1.7 million and $5.0 million, respectively. NRV adjustments are included in the gross profit and losses as discussed above.

Excluding the NRV adjustments, the gross profit related to U_3O_8 sales for the three and nine months ended September 30, 2023, were $2.9 million and $5.7 million, or approximately $32.41 and $30.18 per pound sold on average, respectfully.

Operating Costs

The following table summarizes the operating costs for the three and nine months ended September 30, 2023, and 2022:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Change	2023	2022	Change
Exploration and evaluation	512	422	90	1,687	1,421	266
Development	9,339	1,188	8,151	13,577	3,137	10,440
General and administration	1,314	1,186	128	4,738	4,771	(33)
Accretion	124	114	10	371	339	32
	11,289	**2,910**	**8,379**	**20,373**	**9,668**	**10,705**

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. Exploration and evaluation expense increased approximately $0.1 million and $0.3 million in the three and nine months ended September 30, 2023, respectfully. Higher labor accounted for most of the difference for both periods and reflects staffing increases within the departments.

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 is considered a development project. Development expense increased approximately $8.1 million and $10.4 million in the three and nine months ended September 30, 2023, respectfully. The increases were driven by drilling activities and higher labor costs that primarily relate to the MU2 advanced development program currently underway. In addition to the MU2 program, the drilling activities also included costs related to drilling a new disposal well.

General and administration expenses relate to the administration, finance, investor relations, land, and legal functions, and consist principally of personnel, facility, and support costs. For the nine months ended September 30, 2023, slightly higher labor costs were offset by lower stock compensation costs.

Total operating costs increased $8.4 million in 2023 Q3 and $10.7 million for the first nine months of 2023. The increases were primarily due to increased development costs at Lost Creek as the Company ramped up operations in 2023.

Other Income and Expenses

Higher interest rates and cash balances have generated significant interest income in 2023. At the same time, interest expense has decreased in 2023 as the Company continued to pay down the Wyoming bond loan principal balance.

For the nine months ended September 30, 2023, the warrant liability mark to market revaluation resulted in a $4.2 million loss, compared to $1.6 million gain in 2022. As a part of the February 2021 and February 2023 underwritten public offerings, we sold warrants that were priced in U.S. dollars. The increase in the Company’s 2023 stock price has led to a significant increase in the warrant liability and a corresponding mark to market loss.

Changes in foreign exchange rates on higher U.S. dollar account balances in the Company’s Canadian entity resulted in a $0.3 million foreign exchange gain for the nine months ended September 30, 2023. The higher U.S. dollar balances resulted from the February 2023 underwritten public offering.

During March 2022, we sold a royalty interest related to Strata Energy's Lance Uranium ISR Project for $1.3 million. There were no assets related to the royalty on our balance sheet, therefore the entire amount was recognized as other income.

Earnings (loss) per Common Share

The basic and diluted losses per common share for the three and nine months ended September 30, 2023, were $0.07 and $0.10, respectively. For the three and nine months ended September 30, 2022, the losses per share were $0.03 and $0.06, 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

As shown in the Interim Consolidated Statements of Cash Flow, our cash, cash equivalents, and restricted cash increased from the December 31, 2022 balance of $41.1 million to $63.1 million as of September 30, 2023. Cash resources consist of Canadian and U.S. dollar denominated deposit and money market accounts, and U.S. treasury funds. During the nine months ended September 30, 2023, we spent $16.7 million on operating activities, used $1.9 million for investing activities, and generated $40.5 million from financing activities.

Operating activities used $16.7 million in the nine months ended September 30, 2023. We received $6.4 million from uranium sales (the $5.4 million 2023 Q3 sale was paid in 2023 Q4), $0.4 million from disposal fees, and $1.1 million from interest income (net of loan interest expense of $0.4 million). We spent $6.7 million on production-related cash costs, $19.2 million on operating costs, and had $1.3 million favorable working capital movements driven by an increase in accounts payable and accrued liabilities.

Investing activities used $1.9 million during the nine months ended September 30, 2023. We spent $0.8 million on the construction of the Casper shop and lab building, $1.0 million on vehicles and equipment, and $0.1 million on work associated with other ongoing capital projects.

Financing activities provided $40.5 million in 2023. We received net proceeds of $43.1 million from the public offering, $0.5 million from the sale of common shares through our At Market Facility, and $0.9 million from the exercise of stock options. We spent $4.0 million on principal payments for the Wyoming bond loan.

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 of the Lost Creek Project. As of September 30, 2023, the balance of the State Bond Loan was $7.1 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 resumed on October 1, 2022, and the last payment will be due on October 1, 2024. After the quarterly loan payment was made on October 1, 2023, the remaining principal balance is $5.7 million.

Universal Shelf Registration and At Market Facility

On May 29, 2020, we entered into an At Market Issuance Sales Agreement (the "Sales Agreement") with B. Riley Securities, Inc. ("B. Riley Securities"), relating to our common shares. On June 7, 2021, we amended and restated the Sales Agreement to include Cantor Fitzgerald & Co. ("Cantor," and together with B. Riley Securities, the "Agents") 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. The Sales Agreement was filed in conjunction with a universal shelf registration statement on Form S-3 which had become effective May 27, 2020, and has now expired.

On November 23, 2021, we filed a new universal shelf registration statement on Form S-3 with the SEC through which 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 December 17, 2021, for a three-year period.

On December 17, 2021, we entered into an amendment to the Sales Agreement ("Amendment No. 1" and together with the Sales Agreement, the "Amended Sales Agreement") with the Agents to, among other things, reflect the new registration statement under which we may sell up to $50 million from time to time through or to the Agents under the Amended Sales Agreement, in addition to amounts previously sold under the Sales Agreement. In February 2023, in conjunction with our underwritten public offering, we filed a prospectus supplement by which we decreased the amount of common stock offered pursuant to the Amended Sales Agreement.

On June 28, 2023, we filed a new universal shelf registration statement on Form S-3 with the SEC through which we may offer and sell, from time to time, in one or more offerings, at prices and terms to be determined, up to $175 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 July 19, 2023, for a three-year period.

On July 19, 2023, we entered into a further amendment to the Amended Sales Agreement ("Amendment No. 2" and hereafter the "Amended Sales Agreement") with the Agents to, among other things, reflect the new registration statement under which we may sell up to $50 million from time to time through or to the Agents under the Amended Sales Agreement, in addition to amounts previously sold under the Sales Agreement.

For the nine months ended September 30, 2023, we utilized the Amended Sales Agreement for gross proceeds of $0.5 million from sales of 391,000 common shares.

2021 Underwritten Public Offering

On February 4, 2021, the Company closed a $15.2 million underwritten public offering of 16,930,530 common shares and accompanying warrants to purchase up to 8,465,265 common shares, at a combined public offering price of $0.90 per common share and accompanying 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.

2023 Underwritten Public Offering

On February 21, 2023, the Company closed a $46.1 million underwritten public offering of 39,100,000 common shares and accompanying warrants to purchase up to 19,550,000 common shares, at a combined public offering price of $1.18 per common share and accompanying warrant. The gross proceeds to Ur-Energy from this offering were approximately $46.1 million. After fees and expenses of $3.0 million, net proceeds to the Company were approximately $43.1 million.

Liquidity Outlook

As of October 26, 2023, our unrestricted cash position was $55.0 million.

During 2022, we were able to put in place new, multi-year, sales contracts and expect to realize revenues of $17.3 million from the sale of 280,000 pounds of uranium in 2023. We had 323,790 pounds of conversion facility inventory on December 31, 2022. We delivered 190,000 pounds into sales contracts in the first nine months of 2023. As of October 26, 2023, we had 133,790 pounds U_3O_8 in our conversion facility inventory, of which 90,000 pounds will be delivered 2023 Q4. In 2024, the Company expects to deliver 570,000 pounds U_3O_8 into our sales contracts.

Our unrestricted cash position and expected proceeds from uranium sales are expected to be used to cover production and development costs as we ramp up production at Lost Creek and for on-going corporate overhead including loan payments on the Wyoming bond loan.

Looking Ahead

Our ramp-up decision in December 2022 laid our foundation for 2023. Notwithstanding the historic winter endured in Wyoming this year, we advanced our wellfield construction and development plans and returned to commercial production operations at Lost Creek in May, with the production flow initiated from HH 2-4. Production rates increased noticeably in June. HH 2-5 was brought into initial production late in Q3. We continue to diligently work to optimize processes and refine production operations. We expect HHs 2-6 and 2-7 will also be brought online this year. Thereafter, we anticipate additional header houses will come online based upon our production targets for delivery into our sales commitments.

Construction of our centralized services facility is complete at our Company-owned operations headquarters in Casper. The new 6,000 square foot building houses our construction shop and fully licensed chemistry lab. We are now able to consolidate our header house construction and lab analyses in support of Lost Creek and other future operations.

The Casper facility will also support the development and future operation of the Shirley Basin Project. All major permits and authorizations for our Shirley Basin Project are in place. As we are growing our sales contract book, and with the continuing improvements in the market, we now are initiating procurement of long-lead time items for the Shirley Basin satellite facility, and advancing other activities at the site, with the objective of shortening construction and ramp-up when decisions are made to proceed with construction. We continue to watch market conditions, and our growing contract book, to make a construction decision with respect to Shirley Basin.

Global recognition of nuclear energy's role in achieving net-zero carbon emissions continues to expand. The Biden Administration also continues to voice support for clean energy and the nuclear industry. G7 nations are prioritizing nuclear energy as clean baseload energy which provides nations with high-quality jobs, economic growth and, importantly, greater energy security. As well, multiple nations as well as global nuclear fuel purchasers are recognizing the stability and security of North American uranium for nuclear energy.

Uranium spot prices continued to strengthen during Q3, with pricing averaging approximately $63 per pound U_3O_8, and reaching highs during the period above $70 per pound U_3O_8. As discussed above, nuclear utilities and other purchasers are back in the market, moving not only spot pricing, but term pricing as well, which exceeded $60 per pound U_3O_8 during Q3.

As the spot and term prices of uranium have enjoyed sustained increases, we have seen a dramatic increase in request for proposals ("RFPs") for uranium sales from U.S., European and Asian utilities, and other global fuel buyers. We have responded to the RFPs with increasing prices commensurate with improvements in the market and recognizing the premium paid for North American production due to its geopolitical stability.

We are in advanced discussions with three companies in the global nuclear industry for additional sales commitments. We are optimistic that negotiations with all three purchasers will result in completing additional sales agreements during Q4. Multiple additional RFPs are expected to be issued in the remaining weeks of 2023. We will consider and respond to those which may continue to diversify our sales portfolio with multiple purchasers and sales commitments that will complement our production profile over the next decade.

Stronger prices over the past year have already enabled us to secure multi-year sales agreements with leading nuclear companies. We now have three agreements that call for combined annual delivery of a base amount of 600,000 to 700,000 pounds of U_3O_8 over a five-year period, beginning in 2024. Sales prices are anticipated to be profitable on an all-in cost basis and escalate annually from initial pricing. In 2023 Q3, we delivered 90,000 pounds of U_3O_8 into the sales commitments under these agreements, and we will deliver another 90,000 pounds U_3O_8 in 2023 Q4.

Our cash position as of October 26, 2023, was $55.0 million. We look forward to delivering existing and future Lost Creek production inventory into our sales contracts. With the DOE sale in Q1, we anticipate selling a total of 280,000 pounds U_3O_8 this year at an average price of $61.89 per pound for proceeds of $17.3 million with average gross profit margins expected to be above 40%.

We will continue to closely monitor the uranium markets, and other developments in the nuclear energy market, which may positively affect the uranium production industry and provide the opportunity to put in place additional off-take contracts at pricing sufficient to justify further expansion of production. As always, we will focus on maintaining safe and compliant operations.

Transactions with Related Parties

There were no reportable transactions with related parties during the quarter.

Proposed Transactions

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 or 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 except for 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 and Warrant Liability

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 warrant liability is recalculated monthly 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.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Management applies significant judgment to assess mineral properties and capital assets for impairment indicators that could give rise to the requirement to conduct a formal impairment test. Circumstances that could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; significant changes in expected capital, operating, or reclamation costs; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life. Recoverability of these assets is measured by comparison of the carrying amounts to the future undiscounted net cash flows expected to be generated by the assets. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. Management did not identify impairment indicators that would require a formal impairment test.

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 October 26, 2023, we had outstanding 265,989,118 common shares and 8,369,018 options to acquire common shares.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, accounts payable and accrued liabilities, warrant liability 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, accounts receivable 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 $0.6 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation, or the U.S. Federal Deposit Insurance Corporation, leaving approximately $68.1 million at risk on September 30, 2023, 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 September 30, 2023.

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

As of September 30, 2023, we maintained a foreign currency balance of approximately CDN$2.4 million. 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 $73.75 per pound U_3O_8 as of October 26, 2023.

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 three months ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. LEGAL PROCEEDINGS

No new legal proceedings or material developments in pending proceedings.

Item 1A. RISK FACTORS

As of September 30, 2023, there have been no material changes 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.

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

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: October 30, 2023	By: */s/ John W. Cash* John W. Cash Chief Executive Officer (Principal Executive Officer)
Date: October 30, 2023	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, John W. Cash, 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: October 30, 2023

By: */s/ John W. Cash*
John W. Cash
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: October 30, 2023

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 September 30. 2023, 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: October 30, 2023

By: */s/ John W. Cash*
John W. Cash
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 September 30, 2023, 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: October 30, 2023

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