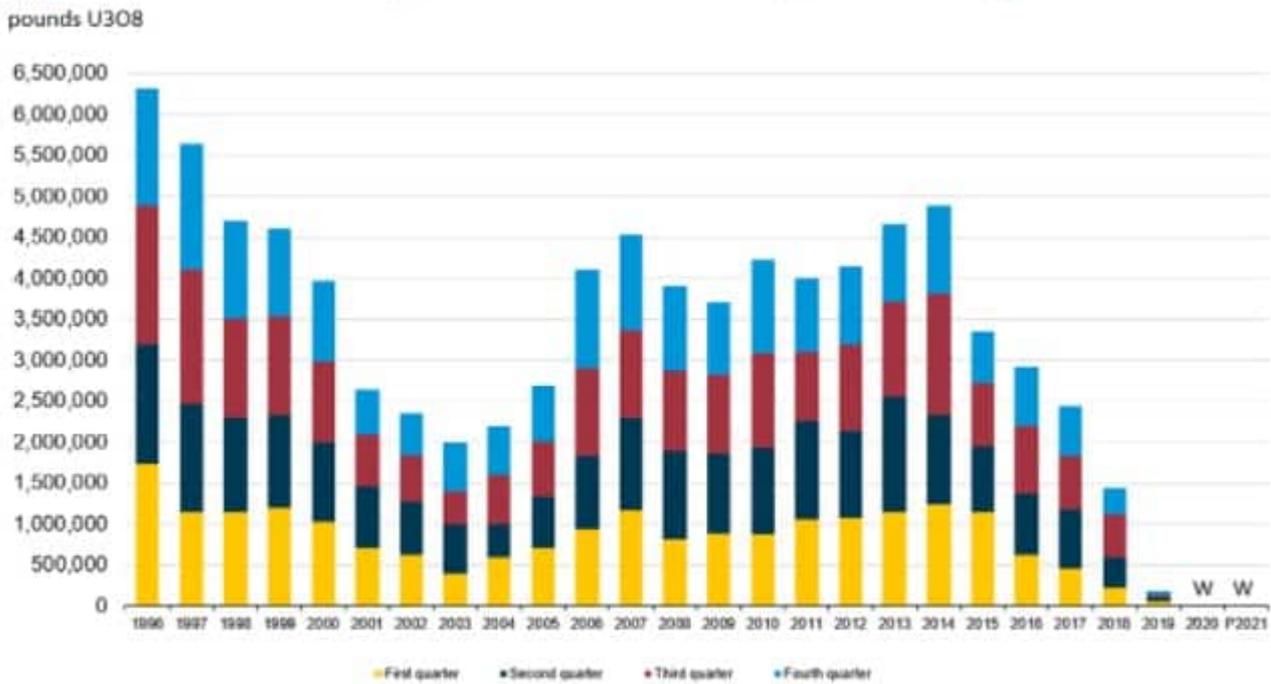


Dependence on Russian Uranium has Investors Eyeing Ur-Energy for Domestic Production

As I noted earlier in the week, in light of certain global political issues the United States may want to be looking for some better places to source commodities. As the largest consumer of uranium in the world, it behooves American consumers to secure supplies of this commodity from slightly more friendly allies. Especially given, according to the EIA, in 2020, the U.S. purchased 22% of its uranium from Kazakhstan and 16% from Russia. Not exactly the kind of leverage you want to be giving Mr. Putin when going into negotiations regarding Ukraine or anything else that may come up.

In fact, the estimated 2021 uranium requirement in the United States to power nuclear reactors was 17,600 tonnes (38.7 million pounds). Meanwhile, the EIA reported domestic production of uranium concentrate (U_3O_8) in the fourth quarter of 2021 totaled 9,978 pounds. And this minuscule amount of fourth quarter 2021 production is 88% higher than the third quarter total but is 98% lower than the 2015-2019 five-year range for the fourth quarter. Needless to say, the U.S. is not even close to being self-sufficient when it comes to supplying its domestic uranium requirements. Put into perspective, 20% of U.S. electricity is generated by nuclear power. It's enough to make a person wonder if anyone in Washington, D.C. has put all this information together in a clear, concise summary for the President or any of his advisors.

Figure 1. Uranium concentrate production in the United States, 1996 to fourth-quarter 2021



P = Preliminary data

Source: U.S. Energy Information Administration, Form EIA-851A, Domestic Uranium Production Report (Annual), and Form EIA-851Q, Domestic Uranium Production Report (Quarterly)

Source: U.S. Energy Information Administration

To me, it seems pretty obvious that someone might want to suggest that this becomes a bit more of a priority for this and future administrations. Granted in December 2020, Congress passed the Consolidated Appropriations Act, 2021 (Pub. L. 116-260) that makes \$75 million available to the Department of Energy for the establishment of the Uranium Reserve Program. However, without being an expert at navigating the status of congressional acts, it appears this has only just concluded the request for information period and that not much has been done (but please correct me if this is inaccurate). In the meantime, I would suggest that there needs to be more domestic uranium production to prevent 20% of the electrical grid from potentially being at risk.

Enter Ur-Energy Inc. (NYSE American: URG | TSX: URE), and its uranium mining, recovery and processing operations, as well as the exploration and development of uranium mineral properties all within the friendly confines of the United States of

America. The Company boasts a cash position as of October 27, 2021, of \$40.9 million plus nearly 285,000 pounds of finished, U.S. produced U_3O_8 inventory, worth just over \$12 million at recent spot prices. At its flagship Lost Creek in-situ recovery (ISR) uranium facility in south-central Wyoming, the Company announced at the beginning of November the commencement of a development program that will advance the facility from reduced operations to full production-ready status.

Initiated in October, the development program will see the next header house in Mine Unit 2 completed in Q1/22 and ready for immediate production when warranted. After completing the new header house, Ur-Energy will proceed with a delineation drill program in H1/22, which will enable the development and construction of the next four header houses in Mine Unit 2. The estimated cost of these development programs is \$2.2 million. In 2021, the Wyoming Uranium Recovery Program approved the amendment to the Lost Creek source material license which grants the Company access to six planned mine units in addition to the already licensed three mine units at Lost Creek. The Lost Creek facility has the constructed and licensed capacity to process up to 2.2 million pounds of U_3O_8 per year and sufficient mineral resources to feed the processing plant for several years.

The Company's second uranium ISR project, Shirley Basin, stands ready for development and construction. Having received all remaining major approvals in 2021, Ur-Energy has effectively doubled its licensed and permitted production capacity. Estimates for Mine Development (\$12.3 million) and CapEx (\$18.3 million) are \$30.6 million which should enable the Company to reach approximately a 1 million pound run rate in 15-18 months. By comparison, Lost Creek operations can increase to full production rates in as little as nine months with development expenses during the full period of ramp-up estimated to be approximately \$14 million.

Very well positioned to be a major supplier of much-needed domestic uranium, Ur-Energy is well funded and can ramp up production quickly.