

UR-ENERGY INC
Form 10-K
March 03, 2014



**United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

(Mark One)

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

FOR THE FISCAL YEAR ENDED December 31, 2013

**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: 333-193316

UR-ENERGY INC.
(Exact name of registrant as specified in its charter)

Canada
State or other jurisdiction of incorporation or organization

Not Applicable
(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	Name of each exchange on which registered
Common Shares, no par value	NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

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Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company:

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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 February 24, 2014, there were 128,012,043 shares of the registrant's no par value Common Shares ("Common Shares"), the registrant's only outstanding class of voting securities, outstanding. As of June 30, 2013, the aggregate market value of the registrant's voting Common Shares held by non-affiliates of the registrant was approximately \$118.6 million based upon the closing sale price of the Common Shares as reported by the NYSE MKT. For the purpose of this calculation, the registrant has assumed that its affiliates as of June 30, 2013, included all directors and officers and three shareholder(s) that held approximately 33,828,307 of its outstanding Common Shares.

DOCUMENTS INCORPORATED BY REFERENCE

None.

UR-ENERGY INC.

ANNUAL REPORT ON FORM 10-K

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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. We have included technical terms important to an understanding of our business under “Glossary of Common Terms” at the end of this section. Throughout this document we make statements that are classified as “forward-looking.” Please refer to the “Cautionary Statement Regarding Forward-Looking Statements” section of this document for an explanation of these types of assertions.

Cautionary Statement Regarding Forward-Looking Information

This annual report on Form 10-K contains "forward-looking statements" within the meaning of applicable United States 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) our timeline for completing commissioning and ramp up of production operations at our Lost Creek project; (ii) the technical and economic viability of Lost Creek; (iii) our ability to complete additional favorable uranium sales agreements; (iv) the production rates and life of the Lost Creek Project and subsequent production from adjoining properties including LC East; (v) the potential of exploration targets throughout the Lost Creek Property (including the ability to expand resources); (vi) the potential of our other exploration and development projects including Shirley Basin, Lost Soldier, and our Canadian projects; (vii) the timing and outcome of environmental baseline studies, confirmation drilling, mineral resource estimate calculations and permitting at the Shirley Basin project; (viii) the outcome of our 2014 forecast, and production projections; and (ix) the long-term effects on the uranium market of events in Japan in 2011 including supply and demand projections. These other factors include, among others, the following: future estimates for production, production start-up and operations (including any difficulties with startup), capital expenditures, operating costs, mineral resources, recovery rates, grades and 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 in the United States and Canada; risks associated with current variable economic conditions; our ability to service our debt and maintain compliance with all restrictive covenants related to the debt facilities and security documents; the possible impact of future financings; the hazards associated with mining production; compliance with environmental laws and regulations; uncertainty regarding the pricing and collection of accounts; the possibility for adverse results in pending and potential litigation; uncertainties associated with changes in 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; adverse changes in general business conditions in any of the countries in which we do business; changes in size and structure; the effectiveness of management and our strategic relationships; ability to attract and retain key personnel; uncertainties regarding the need for additional capital; uncertainty regarding the fluctuations of quarterly results; foreign currency exchange risks; ability to enforce civil liabilities under U.S. securities laws outside the United States; ability to maintain our listing on the NYSE MKT LLC (“NYSE MKT”) 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 status as a "controlled foreign corporation" 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” of this annual report.

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

Unless otherwise indicated, all resource estimates included in this Form 10-K have been prepared in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves (“CIM Definition Standards”). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits the disclosure of an historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) to the extent known, provides the key assumptions, parameters and methods used to prepare the historical estimate; (d) states whether the historical estimate uses categories other than those prescribed by NI 43-101; and (e) includes any more recent estimates or data available.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (“SEC”), and resource information contained in this Form 10-K may not be comparable to similar information disclosed by U.S. companies. In particular, the term “resource” does not equate to the term “reserves”. Under SEC Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. SEC Industry Guide 7 does not define and the SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC. U.S. investors should also understand that “inferred mineral resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimated “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an “inferred mineral resource” exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with United States standards.

NI 43-101 Review of Technical Information: John Cooper, Ur-Energy Project Geologist, P.Geo. and SME Registered Member, and Qualified Person as defined by National Instrument 43-101, reviewed and approved the technical information contained in this Annual Report.

Glossary of Common Terms and Abbreviations

Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. CIM Definition Standards; Canadian National Instrument 43-101 (“NI 43-101”), Section 1.1.

Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. CIM Definition Standards; NI 43-101, Section 1.1.

Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. CIM Definition Standards; NI 43-101, Section 1.1.

Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. CIM Definition Standards; NI 43-101, Section 1.1.

Lithology is a description of a rock; generally its physical nature. The description would address such things as grain size, texture, rounding, and even chemical composition. A lithologic description would be: coarse grained well rounded quartz sandstone with 10% pink feldspar and 1% muscovite.

PFN is a modern geologic logging method known as Prompt Fission Neutron. PFN is considered a direct measurement of true uranium concentration (% U₃O₈) and is used to verify the grades of mineral intercepts previously reported by gamma logging. PFN logging is accomplished by a down-hole probe in much the same manner as gamma logs, however only the mineralized interval plus a buffer interval above and below are logged.

Abbreviations:

	BLM	U.S. Bureau of Land Management
	CERCLA	Comprehensive Environmental Response and Liability Act
	CIM	Canadian Institute of Mining, Metallurgy and Petroleum
	DDW	Deep Disposal Well
	eU ₃ O ₈	equivalent U ₃ O ₈ as measured by a calibrated gamma instrument
EMT	East Mineral Trend, located within our LC East Project (Great Divide Basin, Wyoming)	
	EPA	U.S. Environmental Protection Agency

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	GDB	Great Divide Basin, Wyoming
	GPM	Gallons per minute
GT	Grade x Thickness product (% ft) of a mineral intercept (expressed without units)	
	IX	Ion Exchange

	ISR	In Situ Recovery (literally, ‘in place’ recovery)
MMT	Main Mineral Trend, located within our Lost Creek Project (Great Divide Basin, Wyoming)	
	MU	Mine Unit (also referred to as wellfield)
NI 43-101	Canadian National Instrument 43-101 (Standards of Disclosure for Mineral Properties)	
	NRC	U.S. Nuclear Regulatory Commission
	PEA	Preliminary Economic Assessment
	RCRA	Resource Conservation and Recovery Act
	U	Uranium in its natural isotopic ratios
UIC	Underground Injection Control (pursuant to U.S. Environmental Protection Agency regulations)	
U ₃ O ₈	A standard chemical formula commonly used to express the natural form of uranium mineralization. U represents uranium and O represents oxygen.	
	USFWS	U.S. Fish and Wildlife Service
WDEQ	Wyoming Department of Environmental Quality (and its various divisions, LQD/Land Quality Division, WQD/Water Quality Division; AQD/Air Quality Division; and Solid and Hazardous Waste Division)	
	WEQC	Wyoming Environmental Quality Council
	WGFD	Wyoming Game and Fish Department

Metric/Imperial Conversion Table

The imperial equivalents of the metric units of measurement used in this annual report are as follows:

Imperial Measure	Metric Unit	Metric Unit	Imperial Measure
0.03215 troy ounces	1 gram	31.1035 grams	1 troy ounce
2.4711 acres	1 hectare	0.4047 hectares	1 acre
2.2046 pounds	1 kilogram	0.4536 kilograms	1 pound
0.6214 miles	1 kilometer	1.6093 kilometers	1 mile
3.2808 feet	1 meter	0.3048 meters	1 foot
1.1023 short tons	1 tonne	0.9072 tonnes	1 short ton

Reporting Currency

All amounts in this report are expressed in United States dollars, unless otherwise indicated. Financial information is presented in accordance with United States generally accepted accounting principles.

PART I

Items 1 and 2. BUSINESS AND PROPERTIES

Overview and Corporate Structure

Incorporated on March 22, 2004, Ur-Energy is an exploration stage mining company, as that term is defined in SEC Industry Guide 7. We are engaged in the identification, acquisition, evaluation, exploration, development and operation of uranium mineral properties in Canada and the United States. We have constructed and begun operation of our first in situ recovery uranium mine at our Lost Creek Project, 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 MKT under the symbol “URG.”

Ur-Energy has one wholly-owned subsidiary: Ur-Energy USA Inc. (“Ur-Energy USA”), a company incorporated under the laws of the State of Colorado.

Ur-Energy USA has three wholly-owned subsidiaries: NFU Wyoming, LLC (“NFU Wyoming”), a limited liability company formed under the laws of the State of Wyoming to facilitate acquisition of certain property and assets and, currently, to act 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 hold and operate our Lost Creek Project and certain other of our Lost Creek properties and assets; and Pathfinder Mines Corporation (“Pathfinder”), a company incorporated under the laws of the State of Delaware, acquired in December 2013, which holds, among other assets, the Shirley Basin and Lucky Mc properties in Wyoming.

Ur-Energy USA has two jointly held subsidiaries with NFU Wyoming: NFUR Bootheel, LLC, a limited liability company formed under the laws of the State of Colorado to facilitate participation in an exploration, mining and development agreement with Jet Metal Corp. (formerly, Crosshair Energy Corporation); and NFUR Hauber, LLC, a limited liability company formed under the laws of the State of Colorado to facilitate participation in a venture project at our Hauber project.

NFUR Hauber has one wholly-owned subsidiary: Hauber Project LLC, a limited liability company formed under the laws of the State of Colorado to hold our Hauber project. NFUR Hauber, LLC is the sole member and manager of Hauber Project LLC.

NFUR Bootheel has one subsidiary: The Bootheel Project, LLC, a limited liability company formed under the laws of the State of Colorado to hold the Bootheel and Buck Point properties, is a venture formed with Jet Metal Corp., in which Ur-Energy, at December 31, 2013, owns a 19.115% interest.

Currently, and at the end of 2013, our principal direct and indirect subsidiaries, and affiliated entities, and the jurisdictions in which they were incorporated or organized, are set out here:

We are engaged in the exploration and development of uranium mineral properties. Our wholly-owned Lost Creek project in Sweetwater County, Wyoming is our primary property. The project has been fully permitted and licensed since October 2012. We received operational approval by the U.S. Nuclear Regulatory Commission (“NRC”), and started production operation activities in August 2013. Our first sales from Lost Creek were made in December 2013.

Currently, we have six long-term uranium sales agreements in place with U.S. utilities for the sale of Lost Creek production at fixed pricing. The multi-year sales agreements represent a portion of our anticipated production from 2013 through 2019. These agreements individually do not represent a substantial portion of our annual projected production, and our business is therefore not substantially dependent upon any one of the agreements. The balance of our Lost Creek production will be sold through spot sales and through additional multi-year agreements.

Our newest project, Shirley Basin, is one of the assets acquired as a part of the Pathfinder Mines Corporation transaction which we closed in December 2013. We also acquired all the historic geologic and engineering data for the project, which has nearly 5,500 historic drillholes and historic reports indicating a remaining historic resource; the historic reports are not NI 43-101 compliant. We have begun a drill program for a limited number of confirmatory holes to complete a NI 43-101 mineral resource estimate. Baseline studies necessary for the permitting and licensing of the project are also expected to be advanced in 2014.

We utilize in situ recovery of the uranium at Lost Creek and will do so at other projects where this is possible. In situ recovery (ISR) technique is employed in uranium extraction because the technique allows for a lower cost and effective recovery of roll front mineralization. The in situ technique does not require the installation of tailings facilities or significant surface disturbance. This mining method utilizes injection wells to introduce a mining solution, called lixiviant, into the mineralized zone. The lixiviant is made of natural groundwater fortified with oxygen as an oxidizer, sodium bicarbonate as a complexing agent, and carbon dioxide for pH control. The complexing agent bonds with the uranium to form uranyl carbonate which is highly soluble. The dissolved uranyl carbonate is then recovered through a series of production wells and piped to a processing plant where the uranyl carbonate is removed from the solution using Ion Exchange (IX). The groundwater is re-fortified with the oxidizer and complexing agent and sent back to the wellfield to recover additional uranium.

Our Lost Creek processing facility includes all circuits for the production, drying and packaging of uranium yellowcake for delivery into sales. We expect that the Lost Creek processing facility will be utilized for the drying and packaging of uranium from Shirley Basin, for which we currently anticipate the need only for a satellite plant.

Our Mineral Properties

Our current land portfolio includes 14 projects in the United States and three exploration projects in Canada. Ten of the U.S. projects are in the Great Divide Basin, Wyoming, including our flagship project, Lost Creek Project, which began production operations in August 2013. Currently we control a total of more than 2,100 unpatented mining claims and four State of Wyoming mineral leases for a total of approximately 42,000 acres (16,997 hectares) in the area of the Lost Creek Property, including the Lost Creek permit area (the “Lost Creek Project” or “Project”) and certain adjoining properties which we refer to as LC East, LC West, LC North, LC South and EN project areas (collectively, with the Lost Creek Project, the “Lost Creek Property”). Five of the projects at the Lost Creek Property contain NI 43-101 compliant mineral resources: Lost Creek, LC East, LC West, LC South and LC North. See Resource Summary above in *Technical Developments*. Below is a map showing our Wyoming projects and the geologic basins in which they are located.

Our Wyoming properties together total nearly 66,000 acres (approximately 27,000 hectares) and now include two new properties, Shirley Basin and Lucky Mc, following the completion of our acquisition of Pathfinder Mines Corporation in December 2013. We have two properties in the Northwest Territories, Canada and one property in Nunavut, Canada, together totalling approximately 138,000 acres (approximately 56,000 hectares).

Operating Properties

Lost Creek Project Great Divide Basin, Wyoming

The Lost Creek Project area was acquired in 2005, and is located in the Great Divide Basin, Wyoming. The main mineral trend of the Lost Creek uranium deposit (the “MMT”) is located within the Lost Creek Project. The permit area of the Lost Creek Project covers 4,254 acres (1,722 hectares), comprising 201 lode mining claims and one State of Wyoming mineral lease section. Regional access relies almost exclusively on existing public roads and highways. The local and regional transportation network consists of primary, secondary, local and unimproved roads. Direct access to Lost Creek is mainly on two crown-and-ditched gravel paved access roads to the processing plant. One road enters from the west off of Sweetwater County Road 23N (Wamsutter-Crooks Gap Road); the other enters from the east off of BLM Sooner Road. On a wider basis, from population centers, the Property area is served by an Interstate Highway (Interstate 80), a US Highway (US 287), Wyoming state routes (SR 220 and 73 to Bairoil), local county roads, and BLM roads. The Lost Creek Property is located as shown here:

The basic infrastructure (power, water, and transportation) necessary to support our ISR operation is located within reasonable proximity. Generally, the proximity of Lost Creek to paved roads is beneficial with respect to transportation of equipment, supplies, personnel and product to and from the property. Existing regional overhead electrical service is aligned in a north-to-south direction along the western boundary of the Lost Creek Project. A new overhead power line, approximately 2 miles in length, was constructed to bring power from the existing Pacific Power line to the Lost Creek plant. Power drops have been made to the property and distributed to the plant, offices, wellfields, and other facilities.

Notes:

1. Sum of Measured and Indicated tons and pounds may not add to the reported total due to rounding.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. Based on grade cutoff of 0.02 percent eU₃O₈ and a grade x thickness cutoff of 0.3 GT.
4. Typical ISR industry practice is to apply a GT cutoff in the range of 0.3 which has generally been determined to be a viable cut-off value. This 0.3 GT cutoff was used in this evaluation without direct relation to an associated price.
5. Measured, Indicated, and Inferred Mineral Resources as defined in Section 1.2 of NI 43-101 (CIM Definition Standards).
6. Resources are reported through August 31, 2013.

Information shown in the table above differs from the disclosure requirements of the SEC. See *Cautionary Note to U.S. Investors Concerning Disclosure of Mineral Resources*, above.

The 2013 PEA mineral resource estimate includes drill data and analyses of more than three thousand holes and nearly 1.8 million feet of drilling at the Lost Creek Project alone. With the acquisition of Lost Creek project, we acquired logs and analyses from 571 historic holes representing 368,000 feet of data. Ur-Energy has since drilled 2,468 holes and wells including the construction and development drilling of 2012-2013 for Mine Unit 1 at Lost Creek. Additionally, drilling from the other five projects at the Lost Creek Property, both historic and our drill programs, is included in the mineral resource estimate. Collectively, this represents an additional 2,377 drillholes (1,301,329 feet).

Regulatory Authorizations and Land Title of Lost Creek

Beginning in 2007, we completed all necessary applications and related processes to obtain the required permitting and licenses for the Lost Creek Project, of which the three most significant are: a Source and Byproduct Materials License from the U.S. Nuclear Regulatory Commission (“NRC”) (received August 2011); a Plan of Operations with the United States Bureau of Land Management (“BLM”) (Record of Decision (“ROD”) received October 2012; affirmed by U.S. District Court for the District of Wyoming, September 2013); and a Permit and License to Mine from the Wyoming Department of Environmental Quality (“WDEQ”) (October 2011). The WDEQ License to Mine was issued following determinations in favor of the project by the Wyoming Environmental Quality Council (“WEQC”) with respect to a third-party objection, which included a WEQC direction that the WDEQ Permit be approved by the WDEQ. The WDEQ Permit includes the approval of the first mine unit, as well as the Wildlife Management Plan, including a positive determination of the protective measures at the project for the greater sage grouse species.

In March 2010, the U.S. Fish and Wildlife Service (“USFWS”) submitted a finding of “warranted for listing but precluded by higher priorities” with regard to the greater sage grouse, whose habitat includes Wyoming. A finding that listing is “warranted but precluded” results in recognition of the greater sage grouse as a candidate for listing. This finding is reconsidered annually, taking into account changes in the status of the species. When higher priority listing actions have been addressed by the USFWS for other species, a proposed listing rule is prepared and issued for public comment. This means that until the USFWS finalizes a listing determination, the greater sage grouse will remain under state management.

As a part of the Lost Creek WDEQ Application, we submitted a Wildlife Protection Plan addressing, among other issues, the sage grouse. The Wyoming Game and Fish Department (“WGFD”) reviewed and recommended the Wildlife Management Plan to the WDEQ, including findings that the Wildlife Management Plan meets all of the protection measures for the greater sage grouse species, and is consistent with the Wyoming Governor’s Executive Order on the sage grouse. Following WGFD’s recommendation, the Lost Creek Wildlife Management Plan was incorporated into the WDEQ Permit, and subsequently upheld by the WEQC rulings.

The State of Wyoming has developed a “core-area strategy” to help protect the greater sage grouse species within certain core areas of the state. Exploration areas of our Lost Creek property are all within a designated core area and are thus

subject to work activity restrictions from March 1 to July 15 of each year. The timing restriction precludes exploration drilling and other non-operational based activities which may disturb the sage grouse. Drilling activity is not restricted outside this period. The sage grouse timing restrictions relevant to ISR production and operational activities at the Lost Creek Project are somewhat different because the State has recognized that mining projects within core areas must be allowed to operate year-round. Therefore, there are no timing restrictions on drilling, construction, or operational activities within pre-approved disturbed areas within our permit to mine.

Additional authorizations from federal, state and local agencies for the Lost Creek project include: WDEQ-Air Quality Division Air Quality Permit (January 2010; renewed in 2012) and WDEQ-Water Quality Division Class I Underground Injection Control (“UIC”) Permit (May 2010). The latter permit allows Lost Creek to operate up to five Class I injection wells to meet the anticipated disposal requirements for the life of the Lost Creek Project. The Environmental Protection Agency (“EPA”) issued an aquifer exemption for the Lost Creek project. The WDEQ’s separate approval of the aquifer reclassification is a part of the WDEQ Permit. We also received approval from the EPA and the Wyoming State Engineer’s Office for the construction and operation of two holding ponds at Lost Creek.

Through certain of our subsidiaries, we control the federal unpatented lode mining claims and State of Wyoming mineral leases which make up the Lost Creek Property. Title to the mining claims is subject to rights of *pedis possessio* against all third-party claimants as long as the claims are maintained. The mining claims do not have an expiration date. Affidavits have been timely filed with the BLM and recorded with the Sweetwater County Recorder attesting to the payment of annual maintenance fees to the BLM as established by law from time to time. The state leases have a ten-year term, subject to renewal for successive ten-year terms.

The surface of all the mining claims is controlled by the BLM, while we have the right to use as much of the surface as is necessary for exploration and mining of the claims, subject to compliance with all federal, state and local laws and regulations. Surface use on BLM lands is administered under federal regulations. Similarly, access to state-controlled land is largely inherent within the State of Wyoming mineral lease. The state lease at the Lost Creek Project requires a nominal surface impact fee to be paid. The other state mineral leases currently do not have surface impact payment obligations.

Exploration and Development Properties

Our Five Projects Adjoining Lost Creek Together with the Lost Creek Project Form the Lost Creek Property

The LC East and LC West Projects (approximately 4,780 acres (1,934 hectares) and 3,840 acres (1,554 hectares), respectively) were added to the Lost Creek Property in 2012. The two projects were formed through location of new unpatented lode mining claims and the asset exchange completed in February 2012 with Uranium One Americas, Inc., through which we acquired 175 unpatented mining claims and related data. In 2012, all baseline studies at LC East were initiated; we currently anticipate filing applications for amendments of the Lost Creek licenses and permits, to include development of LC East, during second quarter 2014. The East Mineral Trend (the “EMT”) is a second mineral trend of significance, in addition to the MMT at Lost Creek, identified by historic drilling on the lands forming LC East. Although geologically similar, it appears to be a separate and independent trend from the MMT. The 2013 PEA recommends delineation drilling of identified resources in the EMT continue, together with baseline studies toward a goal of permitting future production. As well, exploration drilling in the northern portions of the project is recommended. We also intend to conduct exploration drilling of LC West to pursue extensions of the MMT in the HJ and KM horizons of the deposit.

The LC North Project (approximately 7,489 acres (3,031 hectares)) is located to the north and to the west of the Lost Creek Project. Historical wide-spaced exploration drilling on this project consisted of 161 drill holes. In 2007, Ur-Energy drilled 30 exploration holes in two areas immediately north of the Lost Creek Project. In 2011, additional drilling was conducted on the LC North Project; in total, 105 holes and one well were drilled (total, 101,919 feet 31,065 meters)). Exploration drilling will be conducted at LC North to pursue the potential of an extension of the MMT in the HJ and KM horizons.

The LC South Project (approximately 11,467 acres (4,641 hectares)) is located to the south and southeast of the Lost Creek Project. Historical drilling on the LC South Project consisted of 482 drill holes. In 2010, Ur-Energy drilled 159 exploration holes (total, 101,270 feet (30,876 meters)) which confirmed numerous individual roll front systems occurring within several stratigraphic horizons correlative to mineralized horizons in the Lost Creek Project. Also, a series of wide-spaced drill holes were part of this exploration program which identified deep oxidation (alteration) that represents the potential for several additional roll front horizons. The FG trend, the HJ and KM horizons will be further explored, as well as additional drilling to further evaluate the potential of deeper mineralization.

The EN Project (approximately 10,122 acres (4,096 hectares)) is adjacent to and east of LC South. Ur-Energy has over 50 historical drill logs from the EN project. Some minimal, deep, exploration drilling has been conducted at the project. Although no mineral resource is yet reported due to the limited nature of the data, the 2013 PEA continues to recommend that the EN project should be explored further with wide spaced framework drilling to assess regional

alteration and stratigraphic relationships.

History and Geology of the Lost Creek Property

Uranium was discovered in the Great Divide Basin, where Lost Creek is located, in 1936. Exploration activity increased in the early 1950s after the Gas Hills District discoveries, and continued to increase in the 1960s, with the discovery of numerous additional occurrences of uranium. Wolf Land and Exploration (which later became Inexco), Climax (Amax) and Conoco Minerals were the earliest operators in the Lost Creek area and made the initial discoveries of low-grade uranium mineralization in 1968. Kerr-McGee, Humble Oil, and Valley Development, Inc. were also active in the area. Drilling within the current Lost Creek Project area from 1966 to 1976 consisted of approximately 115 wide-spaced exploration holes by several companies including Conoco, Climax (Amax), and Inexco.

Texasgulf acquired the western half of what is now the Lost Creek Project in 1976 through a joint venture with Climax and identified what is now referred to as the Main Mineral Trend (MMT). In 1978, Texasgulf optioned into a 50% interest in the adjoining Conoco ground to the east and continued drilling, fully identifying the MMT eastward to the current Project boundary; Texasgulf drilled approximately 412 exploration holes within what is now the Lost Creek Project. During this period Minerals Exploration Company (a subsidiary of Union Oil Company of California) drilled approximately 8 exploration holes in what is currently the western portion of the Lost Creek Project. Texasgulf dropped the project in 1983 due to declining market conditions. The ground was subsequently picked up by Cherokee Exploration, Inc. which conducted no field activities.

In 1987, Power Nuclear Corporation (also known as PNC Exploration) acquired 100% interest in the project from Cherokee Exploration, Inc. PNC Exploration conducted a limited exploration program and geologic investigation, as well as an evaluation of previous in situ leach testing by Texasgulf. PNC Exploration drilled a total of 36 holes within the current Project area.

In 2000, New Frontiers Uranium, LLC acquired the property and database from PNC Exploration, but conducted no drilling or geologic studies. New Frontiers Uranium, LLC later transferred the Lost Creek Project-area property along with its other Wyoming properties to its successor NFU Wyoming, LLC. In June 2005, Ur-Energy USA purchased 100% ownership of NFU Wyoming, LLC.

The Lost Creek Property is situated in the northeastern part of the GDB which is underlain by up to 25,000 ft. of Paleozoic to Quaternary sediments. The GDB lies within a unique divergence of the Continental Divide and is bounded by structural uplifts or fault displaced Precambrian rocks, resulting in internal drainage and an independent hydrogeologic system. The surficial geology in the GDB is dominated by the Battle Spring Formation of Eocene age. The dominant lithology in the Battle Spring Formation is coarse arkosic sandstone, interbedded with intermittent mudstone, claystone and siltstone. Deposition occurred as alluvial-fluvial fan deposits within a south-southwest flowing paleodrainage. The sedimentary source is considered to be the Granite Mountains, approximately 30 miles to the north. Maximum thickness of the Battle Spring Formation sediments within the GDB is 6,000 ft.

Uranium deposits in the GDB are found principally in the Battle Spring Formation, which hosts the Lost Creek Project deposit. Lithology within the Lost Creek deposit consists of approximately 60% to 80% poorly consolidated, medium to coarse arkosic sands up to 50 ft. thick, and 20% to 40% interbedded mudstone, siltstone, claystone and fine sandstone, each generally less than 25 ft. thick. This lithological assemblage remains consistent throughout the entire vertical section of interest in the Battle Spring Formation.

Outcrop at Lost Creek is exclusively that of the Battle Spring Formation. Due to the soft nature of the formation, the Battle Spring Formation occurs largely as sub-crop beneath the soil. The alluvial fan origin of the formation yields a complex stratigraphic regime which has been subdivided throughout Lost Creek into several thick horizons dominated by sands, with intervening named mudstones. Lost Creek is currently licensed and permitted to produce from the HJ horizon; we will seek amendment of the licenses to be able to produce from the KM horizon.

Pathfinder Mines Corporations: Shirley Basin Mine Site (Shirley Basin, Wyoming) and Lucky Mc Mine Site (Gas Hills Mine District, Wyoming)

As a part of the Pathfinder acquisition, we now own the Shirley Basin and Lucky Mc mine sites in the Shirley Basin and Gas Hills mining districts of Wyoming, respectively, from which Pathfinder and its predecessors historically produced more than seventy-one million pounds of uranium, primarily from the 1960s through the 1990s. Pathfinder's predecessors included COGEMA, Lucky Mc Uranium Corporation, and Utah Construction/Utah International.

Both Lucky Mc and Shirley Basin conventional mine operations were suspended in the 1990s due to low uranium pricing, and facility reclamation was substantially completed. We assumed the remaining reclamation responsibilities including financial surety for reclamation, at Shirley Basin and at the Lucky Mc mine site. The Lucky Mc tailings site was fully reclaimed and has been transferred to the U.S. Department of Energy. Therefore, we assumed no obligations with respect to the NRC License at the Lucky Mc tailings site, which were assumed by the AREVA-group seller upon closing. We do not have plans for the further exploration or development of the Lucky Mc property during 2014.

Together with property holdings of patented lands, unpatented mining claims, and State of Wyoming and private leases totalling more than 5,500 acres (nearly 3,700 acres at Shirley Basin (approximately 1,500 hectares); approximately 1,800 at Lucky Mc (approximately 750 hectares)), we also acquired all historic geologic, engineering and operational data related to the two mine areas. We estimate that approximately 20-25 additional drill holes will be required to verify the quality of mineralization at Shirley Basin in a drill program which has begun in February 2014. We will use gamma, PFN and core analysis. Following that drilling and analyses, our experienced in situ geologists will utilize the GT method to calculate an NI 43-101 compliant mineral resource estimate. We are also beginning the environmental baseline studies which will form the basis for our applications for permits and licenses for production at Shirley Basin. The Shirley Basin project is located in Carbon County, Wyoming, approximately 40 miles south of Casper, Wyoming. The project is accessed by travelling west from Casper, on Highway 220. After travelling 18 miles, turn south on Highway 487 and travel an additional 35 miles; the entrance to Shirley Basin Mine is to the east.

Following the renegotiated share purchase agreement, there is a 5% production royalty at Shirley Basin under certain market conditions. That royalty will be limited by the following market conditions: (i) if the reported spot price exceeds \$55 prior to June 30, 2016 the 5% gross royalty is capped at \$6,625,000; (ii) if the reported spot price exceeds \$45, but does not exceed \$55 prior to June 30, 2016 the royalty cap is reduced to \$3,700,000; (iii) if the reported spot price does not exceed \$45 prior to June 30, 2016 the royalty is terminated. The amount of production royalty, if triggered, may be purchased back at any time at our election.

The tailings facility at the Shirley Basin site is one of the few remaining facilities in the United States that is licensed by the NRC to receive and dispose of byproduct waste material from other in situ uranium mines. We have assumed the operation of the byproduct disposal site and are accepting deliveries under several existing contracts.

Shirley Basin History and Geology

Shirley Basin property lies in the northern half of the historic Shirley Basin uranium mining district. Earliest discoveries were in 1954 by Teton Exploration. Mining started in 1958 by Utah Construction Corp. (predecessor to Pathfinder Mines Corp.) and Homestake Mining using underground methods. In 1961 Utah Construction switched to solution mining methods because of difficult underground conditions; this was the first commercial application of solution mining for uranium in the United States. The decision to move to open-pit mining by Utah Construction came in 1968. All production within the district has been by open-pit methods since that time. Mining in the district ended in 1992 when Pathfinder shut down production due to market conditions. Shirley Basin is the second most prolific uranium mining district in Wyoming, behind the Gas Hills district. Total production from Shirley Basin was 51.3 million pounds of uranium, of which 28.3 million pounds came from the Utah Construction/Pathfinder

operations.

Resources currently targeted for ISR production by Pathfinder represents previously identified but unmined extensions of mineral trends that were open-pit mined. Most had been targeted for mining but were abandoned with shut-down of the mining operations in 1992.

The Shirley Basin mining district lies in the north-central portions of the Shirley Basin, which is one of several inter-montane basins in Wyoming created during the Laramide mountain building geologic event. The southern half of the Shirley Basin is floored by folded sedimentary formations of Cretaceous age. In the northern half of the basin the Cretaceous units are covered by fluvial stream sediments of the Eocene age Wind River Formation which were deposited within paleo-drainages cut into a paleo-topographic surface on the older Cretaceous units. The source of the Wind River sediments is the granitic terrain within the Laramie Range, approximately 15 miles east of the district. The Wind River Formation was subsequently covered by younger volcanic ash-choked fluvial sediments of the White River and Arikaree Formations of Oligocene and Miocene age, respectively.

The Wind River Formation is the host of all uranium mineralization mined within the Shirley Basin mining district. The lithology of the Wind River Formation is characterized by thick, medium to coarse grained, arkosic sandstones separated by thick claystone units. Sandstones and claystones are typically 20 to 50 feet thick. Total thickness of the Wind River Formation ranges from approximately 400 to 500 feet. The two most dominant sandstones are named the Main and Lower Sands. The Lower Sand represents the basal sand unit of the Wind River Formation and in places lies directly above the underlying Cretaceous formations.

Uranium occurs as roll front type deposits along the edge of large regional alteration systems within the sandstone units of the Wind River Formation. Both the Main and Lower Sands host uranium and were mined in the past. The Main Sand is the host to the mineralization currently targeted by Pathfinder for ISR development. The primary target is called the Fab Trend and represents the connecting mineral trend between two past-produced open-pits. Studies by Pathfinder/Areva in the late 1990s indicate that this mineralization may be amenable to ISR extraction. A secondary target is called Area 5 which was an ISR target for Pathfinder prior to shut-down of operations.

Lost Soldier Project Great Divide Basin, Wyoming

Acquired in 2005, the Lost Soldier project is located approximately 14 miles (22.5 kilometers) to the northeast of the Lost Creek Project. Lost Soldier has over 3,700 historic drill holes defining 14 mineralized sandstone units. We maintain 143 unpatented mining claims at Lost Soldier, totaling approximately 2,710 mineral acres. While no longer deemed to be a material property, we anticipate that further technical work on Lost Soldier will continue to be completed as corporate priorities are determined for the exploration and development of the Lost Creek Property and Shirley Basin, and funding may be allocated to the Lost Soldier project.

The Bootheel Project, LLC and The Bootheel Project Shirley Basin, Wyoming

Jet Metal Corp., formerly Crosshair Energy Corporation (“Jet Metal”) has been the Manager of The Bootheel Project venture since 2007. Following a decision to not fund our portion of the budget for the venture’s budget year ending March 31, 2012, our ownership interest was reduced from 25% to approximately 19%. Since that budget year, we have participated in the Project’s budgets and programs, although both programs have been nominal maintenance programs. In February 2013, the private mineral lease agreements for the Bootheel property of the Project expired and were not renewed. Portions of the minerals included in the technical report issued by Crosshair, are located on the leased lands at the Bootheel property. In June 2013, the Management Committee of the Bootheel Project chose to abandon certain unpatented mining claims at the Bootheel property, while retaining mining claims and the State of Wyoming uranium lease on which the remaining mineral resource is located. There is no reported mineral resource at the Buck Point property. In June 2013, the Management Committee determined to abandon all unpatented mining claims at Buck Point. Subsequently, the State of Wyoming mineral lease at Buck Point was relinquished. As a result, Ur-Energy’s investment in the Buck Point property was written off. At December 31, 2013, an impairment analysis of the remaining investment at the Bootheel property resulted in a \$37,000 write-down because it was determined that the carrying cost was greater than the enterprise value of the underlying mineral resource.

Canadian Exploration Properties

We have three exploration properties in northern Canada: Screech Lake and Gravel Hill (together, approximately 96,100 acres (38,900 hectares)) in the Thelon Basin, Northwest Territories, and Bugs (approximately 45,000 acres (18,200 hectares)) in the Baker Lake Basin, Nunavut. Landholdings at Screech Lake total more than 60,600 acres (24,500 hectares). Various exploration and field programs have been conducted on the property since 2005. Highly anomalous radon concentrations and trends were identified. The coincidence of consistent high to extremely high radon with deep structure and conductivity combine to make the North Screech radon trend the primary focus for further exploration on the project. No work was conducted at the Canadian projects during 2013 and no work is planned in 2014.

Competition and Mineral Prices

The uranium industry is highly competitive, and our competition includes larger, more established companies with longer operating histories that not only explore for and produce uranium, but also market uranium and other products on a regional, national or worldwide basis. Because of their greater financial and technical resources, competitive bidding process involving such companies will be challenging; this competition extends to the further acquisition of properties and also equipment, contractors and personnel required to explore and develop such properties. Additionally, these larger companies have greater resources to continue with their operations during periods of depressed market conditions.

Unlike other commodities, uranium does not trade on an open market. Contracts are negotiated privately by buyers and sellers. Our existing long-term agreements are described in Item 1, above and in Item 7, below.

Uranium prices are published by two of the leading industry-recognized independent market consultants, The Ux Consulting Company, LLC and TradeTech, LLC, who publish on their respective websites. The following information reflects an average of the per pound prices published by these two consulting groups for the timeframe indicated:

December 31 of [year]	2008	2009	2010	2011	2012	2013	
Spot price (US\$)	\$ 52.50	\$ 44.50	\$ 62.25	\$ 51.88	\$ 43.38	\$ 34.50	
LT price (US\$)	\$ 70.00	\$ 61.00	\$ 66.00	\$ 62.00	\$ 56.50	\$ 50.00	
End of [month]	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14 (wk of 2.24.14)
Spot price (US\$)	\$ 34.50	\$ 35.00	\$ 34.50	\$ 36.08	\$ 34.50	\$ 35.45	\$ 35.55
LT price (US\$)	\$ 54.00	\$ 50.50	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00

Government Regulation

As set forth above, our exploration projects and operations at Lost Creek and our other projects in Wyoming where exploration, development and operations are taking place, are subject to extensive laws and regulations which are overseen and enforced by multiple federal, state and local authorities. These laws govern exploration, development, production, exports, taxes, labor standards, occupational health and safety, waste disposal, protection and remediation of the environment, protection of endangered and protected species, toxic and hazardous substances and other matters. Uranium minerals exploration is also subject to risks and liabilities associated with pollution of the environment and disposal of waste products occurring as a result of mineral exploration and production.

Compliance with these laws and regulations may impose substantial costs on us and will subject us to significant potential liabilities. Changes in these regulations could require us to expend significant resources to comply with new laws or regulations or changes to current requirements and could have a material adverse effect on our business operations.

Minerals exploration and development activities are subject to comprehensive regulation which may cause substantial delays or require capital outlays in excess of those anticipated, causing an adverse effect on our business operations. Minerals exploration operations are also subject to federal and state laws and regulations which seek to maintain health and safety standards by regulating the design and use of drilling methods and equipment. Various permits from government bodies are required for drilling operations to be conducted; no assurance can be given that such permits will be received. Environmental standards imposed by federal and state authorities may be changed and any such changes may have material adverse effects on our activities. Minerals extraction operations are subject to federal and state laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. As of this date, other than with respect to the posting of a performance bond and the costs associated with our permitting and licensing activities, we have not been required to spend material amounts on compliance with environmental regulations. However, we may be required to do so in future and this may affect our ability to expand or maintain our operations.

Environment Regulations

As set forth above, our mineral projects are the subject of extensive environmental regulation at federal, state and local levels.

Exploration, development and production activities are subject to certain environmental regulations which may prevent or delay the commencement or continuance of our operations. In general, our exploration and production activities are subject to certain federal and state laws and regulations relating to environmental quality and pollution control. Such laws and regulations increase the costs of these activities and may prevent or delay the commencement or continuance of a given operation. Compliance with these laws and regulations has not had a material effect on our operations or financial condition to date. Specifically, we are subject to legislation and regulations regarding radiation safety, emissions into the environment, water discharges, and storage and disposition of hazardous wastes. In addition, legislation requires well and facility sites to be abandoned and reclaimed to the satisfaction of state and federal authorities.

Waste Disposal

The Resource Conservation and Recovery Act ("RCRA"), and comparable state statutes, affect minerals exploration and production activities by imposing regulations on the generation, transportation, treatment, storage, disposal and cleanup of hazardous wastes and on the disposal of non-hazardous wastes. Under the auspices of the United States Environmental Protection Agency (the "EPA"), the individual states administer some or all of the provisions of RCRA, sometimes in conjunction with their own, more stringent requirements.

Underground Injection Control ("UIC") Permits

The federal Safe Drinking Water Act creates a nationwide regulatory program protecting groundwater. This act is administered by the EPA. However, to avoid the burden of dual federal and state regulation, the Safe Drinking Water Act allows for the UIC permits issued by states to satisfy the UIC permit required under the Safe Drinking Water Act under two conditions. First, the state's program must have been granted primacy, as is the case in Wyoming. Second, the EPA must have granted, upon request by the state, an aquifer exemption. The EPA may delay or decline to process the state's application if the EPA questions the state's jurisdiction over the mine site.

CERCLA

The federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") imposes joint and several liability for costs of investigation and remediation and for natural resource damages, without regard to fault or the legality of the original conduct, on certain classes of persons with respect to the release into the environment of substances designated under CERCLA as hazardous substances ("Hazardous Substances"). These classes of persons or potentially responsible parties include the current and certain past owners and operators of a facility or property where there is or has been a release or threat of release of a Hazardous Substance and persons who disposed of or arranged for the disposal of the Hazardous Substances found at such a facility. CERCLA also authorizes the EPA and, in some cases, third parties to take actions in response to threats to the public health or the environment and to seek to recover the costs of such action. We may also in the future become an owner of facilities on which Hazardous Substances have been released by previous owners or operators. We may in the future be responsible under CERCLA for all or part of the costs to clean up facilities or property at which such substances have been released, and for natural resource damages.

Air Emissions

Our operations are subject to state and federal regulations for the control of emissions of air pollution. Major sources of air pollutants are subject to more stringent, federally imposed permitting requirements. Administrative enforcement actions for failure to comply strictly with air pollution regulations or permits are generally resolved by payment of monetary fines and correction of any identified deficiencies. Alternatively, regulatory agencies could require us to forego construction, modification or operation of certain air emission sources.

Clean Water Act

The Clean Water Act ("CWA") imposes restrictions and strict controls regarding the discharge of wastes, including mineral processing wastes, into waters of the United States, a term broadly defined. Permits must be obtained to discharge pollutants into federal waters. The CWA provides for civil, criminal and administrative penalties for unauthorized discharges of hazardous substances and other pollutants. It imposes substantial potential liability for the costs of removal or remediation associated with discharges of oil or hazardous substances. State laws governing discharges to water also provide varying civil, criminal and administrative penalties, and impose liabilities in the case of a discharge of petroleum or its derivatives, or other hazardous substances, into state waters. In addition, the EPA and the State of Wyoming have promulgated regulations that require us to obtain permits to discharge storm water runoff. In the event of an unauthorized discharge of wastes, we may be liable for penalties and costs.

Employees

At December 31, 2013, Ur-Energy USA employed 30 people in its Littleton, Colorado (17) and Casper, Wyoming (13) offices. Lost Creek ISR, LLC employed 60 people at the Lost Creek Culver-Douglas Uranium Recovery Facility near Wamsutter, Wyoming. None of our other subsidiaries had employees in 2013.

Corporate Offices

The registered office of Ur-Energy is located at 55 Metcalfe Street, Suite 1300, Ottawa, Ontario K1P 6L5. Our United States corporate headquarters is located at 10758 West Centennial Road, Suite 200, Littleton, Colorado, 80127. We maintain a corporate and operations office at 5880 Enterprise Drive, Suite 200, Casper, Wyoming 82609. Lost Creek operational offices are located at the Culver-Douglas Uranium Recovery Facility, 3424 Wamsutter / Crooks Gap Road, Wamsutter, Wyoming 82336.

Available Information

Detailed information about Ur-Energy is contained in our annual reports, formerly filed on Form 40-F, quarterly reports, formerly on Form 6-K, current reports, formerly on Form 6-K, and, since January 1, 2014, on Form 8-K, and other reports, and amendments to those reports, that we file with or furnish to the SEC and the Canadian regulatory authorities. These reports are available free of charge on our website, www.ur-energy.com, as soon as reasonably practicable after we electronically file such reports with or furnish such reports to the SEC and the Canadian regulatory authorities. However, our website and any contents thereof should not be considered to be incorporated by reference into this Annual Report on Form 10-K.

We will furnish copies of such reports free of charge upon written request to our Corporate Secretary:

Ur-Energy Inc.
Attention: Corporate Secretary
10758 West Centennial Road, Suite 200
Littleton, Colorado 80127
Telephone: 1-866-981-4588
Email: legaldept@ur-energy.com

Additionally, our corporate governance guidelines, Code of Ethics and the charters of each of the standing committees of our Board of Directors are available on our website. We will furnish copies of such information free of charge upon written request to our Corporate Secretary, as set forth as above.

Other information relating to Ur-Energy may be found on the SEC's website at <http://www.sec.gov/edgar.shtml> or on the SEDAR website at www.sedar.com. Our reports can be read and copied by the public at the SEC's Public Reference Room at 100 F Street, NE., Washington, D.C., 20549.

Item 1A. RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider the following discussion of risks in addition to the other information in this annual report before purchasing any of our securities. In addition to historical information, the information in this annual report contains “forward-looking” statements about our future business and performance. Our actual operating results and financial performance may be very different from what we expect as of the date of this annual report. The risks below address material factors that may affect our future operating results and financial performance.

Risks Related to Our Business

Mining operations involve a high degree of risk.

Mining operations generally involve a high degree of risk. We continue to commission and ramp up our production activities at our first uranium in situ recovery facility at Lost Creek, where production activities commenced only seven months ago. Our operations at Lost Creek and other projects as they continue in development will be subject to all the hazards and risks normally encountered in the exploration, development and production of uranium, including unusual and unexpected geological formations, unanticipated metallurgical difficulties, equipment malfunctions, other conditions involved in the drilling and removal of material, and industrial accidents, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The results of exploration and ultimate production are highly uncertain.

The exploration for, and development of, mineral deposits involves significant risks which a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral resources or reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that our current exploration and development programs will result in profitable commercial operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as uranium prices, which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of uranium and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in us not receiving an adequate return on invested capital.

Our property interests and our projects are subject to volatility in the price of uranium.

The price of uranium is volatile. Changes in the price of uranium depend on numerous factors beyond our control including international, economic and political trends; changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities, including the longer-term effects on the market due to the events following the earthquake and tsunami affecting the Fukushima nuclear plant in Japan; changes in governmental regulations; expectations of inflation; currency exchange fluctuations; interest rates; global or regional consumption patterns; speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of uranium, and therefore on the economic viability of our properties cannot accurately be predicted. Because most of our properties are in exploration and development stage and Lost Creek has only just commenced operations, it is not yet possible for us to control the impact of fluctuations in the price of uranium.

Our business is subject to extensive environmental regulations that may make exploring, mining or related activities expensive, and which may change at any time.

Environmental legislation and regulation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental quality requirements and reclamation laws imposed by federal, state, provincial, and local governmental authorities may require significant capital outlays, materially affect the economics of a given property, cause material changes or delays in intended activities, and potentially expose us to litigation and other legal or administrative proceedings. We cannot accurately predict or estimate the impact of any such future laws or regulations, or future interpretations of existing laws and regulations, on our operations. Historic exploration activities have occurred on many of our properties and mining and energy production activities have occurred near certain of our properties. If such historic activities have resulted in releases or threatened releases of regulated substances to the environment, or historic activities require remediation, potential for liability may exist under federal or state remediation statutes.

The uranium mining industry is capital intensive, and we may be unable to raise necessary additional funding.

Additional funds may be required to fund working capital or to fund exploration activities at our properties other than Lost Creek. Potential sources of future funds available to us, in addition to the sales proceeds from Lost Creek production, include the sale of additional equity capital, proceeds from the exercise of outstanding convertible equity instruments, borrowing of funds or other debt structure, project financing, or the sale of our interests in assets. There is no assurance that such funding will be available to us to continue development or future exploration. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favorable to us or will provide us with sufficient funds to meet our objectives, which may adversely affect our business and financial position. In addition, any future equity financings may result in substantial dilution for our existing shareholders.

Restrictive covenants in agreements governing our indebtedness may restrict our ability to pursue our business strategies.

Our State Bond Loan and the RMBAH facility, under which we have received approximately \$40 million in debt financing, include restrictive covenants that, among other things, limit our ability to sell the assets securing our indebtedness or to incur additional indebtedness other than permitted indebtedness, which may restrict our ability to pursue certain business strategies from time to time. If we do not comply with these covenants, we could be in default which, if not addressed or waived, could require accelerated repayment of our indebtedness.

If we are unable to service our indebtedness, we could lose the assets securing our indebtedness.

Our ability to make scheduled payments depends on our financial condition and operating performance, which are subject to prevailing economic, competitive, legislative and regulatory conditions beyond our control. We may be unable to generate a level of cash flow from operating activities sufficient to permit us to pay the principal, interest and other fees on our indebtedness.

If we cannot make scheduled payments on our debt, we will be in default which, if not addressed or waived, could require accelerated repayment of our indebtedness and the enforcement by the lenders against the assets securing our indebtedness. The secured collateral includes the Lost Creek assets (State Bond Loan) and the Pathfinder assets (RMBAH facility). These are key assets on which our business is substantially dependent and as such, the enforcement against any one or all of these assets would have a material adverse effect on our operations and financial condition.

The uranium market is volatile with limited customers.

The marketability of uranium and acceptance of uranium mining is subject to numerous factors beyond our control. The price of uranium may experience volatile and significant price movements over short periods of time. Factors affecting the market include demand for nuclear power; changes in public acceptance of nuclear power generation as a result of any future accidents or terrorism at nuclear facilities, including the continuing effects on the market due to the events following the earthquake and tsunami in Japan in March 2011; political and economic conditions in uranium mining, producing and consuming countries; costs and availability of financing of nuclear plants; reprocessing of spent fuel and the re-enrichment of depleted uranium tails or waste, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and costs of production in geographical areas such as Russia, Kazakhstan, Africa and Australia.

Our mining operations are subject to numerous environmental laws, regulations and permitting requirements and bonding requirements that can delay production and adversely affect operating and development costs.

Our business is subject to extensive federal, state, provincial and local laws governing prospecting and development, taxes, labor standards and occupational health, mine and radiation safety, toxic substances, environmental protection, endangered species protections, and other matters. Exploration, development and production operations are also subject to various federal, state, provincial and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry, and particularly to uranium recovery, to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively restore mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties and potentially expose us to litigation. Many of these laws and regulations have tended to become more stringent over time. Any change in such laws could have a material adverse effect on our financial condition, cash flow or results of operations. There can be no assurance that we will be able to meet all the regulatory requirements in a timely manner or without significant expense or that the regulatory requirements will not change to delay or prohibit us from proceeding with certain exploration, development or operations. Further, there is no assurance that we will not face new challenges by third parties to regulatory decisions when made, which may cause additional delay and expense, or may cause a project to be permanently halted.

Many of our operations require licenses and permits from various governmental authorities. We believe we hold all necessary licenses and permits to carry on the activities which we are currently conducting or propose to conduct under applicable laws and regulations. Such licenses and permits are subject to changes in regulations and changes in various operating circumstances. There can be no guarantee that we will be able to obtain all necessary licenses and permits that may be required to maintain our exploration and mining activities including constructing mines or milling facilities and commencing or continuing exploration or mining activities or operations at any of our properties. In addition, if we proceed to production on any other exploration property, we must obtain and comply with permits and licenses which will contain specific operating conditions. There can be no assurance that we will be able to obtain such permits and licenses or that we will be able to comply with any such conditions.

Lack of acceptance of nuclear energy and deregulation of the electrical utility industry could impede our business.

Our future prospects are tied directly to the electrical utility industry worldwide. Deregulation of the utility industry, particularly in the United States and Europe, is expected to affect the market for nuclear and other fuels for years to come, and may result in a wide range of outcomes including the expansion or the premature shutdown of nuclear reactors. Maintaining the demand for uranium at current levels and future growth in demand will depend upon the continued acceptance of the nuclear technology as a means of generating electricity. Lack of continued public acceptance of nuclear technology would adversely affect the demand for nuclear power and potentially increase the regulation of the nuclear power industry.

Our mineral resource estimates may not be reliable.

Until reserves or resources are actually mined and processed, the quantity of resources and grades must be considered as estimates only. There are numerous uncertainties inherent in estimating quantities of resources, including many factors beyond our control, and no assurance can be given that the recovery of estimated reserves or resources will be realized. In general, estimates of resources are based upon a number of factors and assumptions made as of the date on which the estimates were determined, including:

geological and engineering estimates that have inherent uncertainties and the assumed effects of regulation by governmental agencies;

· the judgment of the engineers preparing the estimate;
· estimates of future uranium prices and operating costs;
· the quality and quantity of available data;
· the interpretation of that data; and

· the accuracy of various mandated economic assumptions, all of which may vary considerably from actual results.

All estimates are, to some degree, uncertain. For these reasons, estimates of the recoverable mineral resources prepared by different engineers or by the same engineers at different times, may vary substantially. As such, there is significant uncertainty in any mineralized material estimate and actual deposits encountered and the economic viability of a deposit may differ materially from our estimates.

We are subject to risks associated with litigation and other legal proceedings.

Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. From time to time, we may be involved in disputes with other parties which may result in litigation or other proceedings. Additionally, as is the case currently, we may find ourselves involved directly or indirectly in legal proceedings, in the form of administrative proceedings or litigation, arising from challenges to regulatory actions. Such administrative proceedings and litigation related to regulatory matters may delay or halt exploration or development of our projects. The results of litigation or any other proceedings cannot be predicted with certainty. If we are unable to resolve any such disputes favorably, it could have a material adverse effect on our financial position, ability to operate, results of operations or our property development.

The uranium industry is highly competitive and is competitive with other energy sources.

The international uranium industry is highly competitive. Our activities are directed toward the search, evaluation, acquisition and development of uranium deposits into production operations. There is no certainty that the expenditures to be made by us will result in discoveries of commercial quantities of uranium deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. We will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration and development efforts.

Nuclear energy competes with other sources of energy, including oil, natural gas, coal, hydro-electricity and renewable energy sources. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrate and uranium conversion services. Furthermore, the growth of the uranium and nuclear power industry beyond its current level will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry.

Possible amendments to the General Mining Law could make it more difficult or impossible for us to execute our business plan.

Members of the United States Congress have repeatedly introduced bills which would supplant or alter the provisions of the United States Mining Law of 1872, as amended. Such bills have proposed, among other things, to either eliminate or greatly limit the right to a mineral patent; to impose a federal royalty on production from unpatented mining claims; and to significantly alter the laws and regulations relating to uranium mineral development. If enacted,

such legislation could change the cost of holding unpatented mining claims and could significantly impact our ability to develop mineralized material on unpatented or patented mining claims. Although it is impossible to predict at this point what any legislated royalties might be, enactment could adversely affect the potential for development of such mining claims and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect our financial performance.

Acquisitions and integration may disrupt our business.

From time to time, we examine opportunities to acquire additional mining assets and businesses. Any acquisition that we may choose to complete may be of significant size, may change the scale of our business and operations, and/or may expose us to new geographic, political, operating, financial and geological risks. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt our ongoing business and relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

We do not have an earnings record, and we have never paid dividends.

We do not have an established earnings record, having only commenced operations in the second half of 2103. We have not paid dividends on our Common Shares since incorporation and do not anticipate doing so in the foreseeable future. Payments of any dividends will be at the discretion of our Board after taking into account many factors, including our financial condition and current and anticipated cash needs.

Our property title may be uncertain and could be challenged.

Although we have obtained title opinions with respect to certain of our properties, there is no guarantee that title to any of our properties will not be challenged or impugned. Third parties may have valid claims underlying portions of our interests. Our mineral properties in the United States consist of leases to private mineral rights, leases covering state lands, unpatented mining claims and patented mining claims. Many of our mining properties in the United States are unpatented mining claims to which we have only possessory title. Because title to unpatented mining claims is subject to inherent uncertainties, it is difficult to determine conclusively ownership of such claims. These uncertainties relate to such things as sufficiency of mineral discovery, proper posting and marking of boundaries and possible conflicts with other claims not determinable from descriptions of record. The present status of our unpatented mining claims located on public lands allows us the exclusive right to mine and remove valuable minerals. We are allowed to use the surface of the public lands solely for purposes related to mining and processing the mineral-bearing ores. However, legal ownership of the land remains with the United States. We remain at risk that the mining claims may be forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements. We have taken or will take appropriate curative measures to ensure proper title to our properties where necessary and where possible.

We depend on the services of our management, key personnel, contractors and service providers.

Shareholders will be relying on the good faith, experience and judgment of our management and advisors in supervising and providing for the effective management of the business and our operations and in selecting and developing new investment and expansion opportunities. We may need to recruit additional qualified employees, contractors and service providers to supplement existing management and personnel, the availability of which cannot be assured, particularly in the current labor markets in which we recruit our employees and the somewhat remote locations for which employees are needed. We will need to hire additional employees as we develop the Shirley Basin project. We will continue to be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on our business and operations. We do not hold key man insurance in respect of any of our executive officers.

Our insurance coverage could be insufficient.

We currently carry insurance coverage for general liability, directors' and officers' liability and other matters. We intend to carry insurance to protect against certain risks in such amounts as we consider adequate. Certain insurances may be cost prohibitive to maintain, and even if we carried all such insurances, the nature of the risks we face in our exploration and uranium production operations is such that liabilities could exceed policy limits in any insurance policy or could be excluded from coverage under an insurance policy. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting our business and financial position.

Our property may be subject to land claims.

Certain properties in which we have an interest may be the subject of aboriginal land claims. As a result of these claims, we may be significantly delayed or unable to pursue exploration and production activities in respect of these properties or may have to expend considerable management resources and funds to adequately meet the regulatory requirements to pursue activities in respect of these properties.

U.S. Federal Income Tax Consequences to U.S. Shareholders under the Passive Foreign Investment Company Rules

Investors in the Common Shares of Ur-Energy that are U.S. taxpayers (referred to as a U.S. shareholder) should be aware that we may be a "passive foreign investment company" (a "PFIC") for the period ended December 31, 2014 and may be a PFIC in subsequent years. If we are a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholders generally will be subject to a special, highly adverse tax regime with respect to so-called "excess distributions" received on our Common Shares. Gain realized upon a disposition of our Common Shares (including upon certain dispositions that would otherwise be tax-free) also will be treated as an excess distribution. Excess distributions are punitively taxed and are subject to additional interest charges. Additional special adverse rules also apply to U.S. shareholders who own Common Shares of Ur-Energy if we are a PFIC and have a non-U.S. subsidiary that is also a PFIC (a "lower-tier PFIC").

A U.S. shareholder may make a timely "qualified electing fund" election ("QEF election") or a "mark-to-market" election with respect to our Common Shares to mitigate the adverse tax rules that apply to PFICs, but these elections may accelerate the recognition of taxable income and may result in the recognition of ordinary income. To be timely, a QEF election generally must be made for the first year in the U.S. shareholder's holding period in which Ur-Energy is a PFIC. A U.S. shareholder may make a QEF election only if the U.S. shareholder receives certain information (known as a "PFIC annual information statement") from us annually. A U.S. shareholder may make a QEF election with respect to a lower-tier PFIC only if it receives a PFIC annual information statement with respect to the lower tier

PFIC. The mark-to-market election is available only if our Common Shares are considered regularly traded on a qualifying exchange, which we cannot assure will be the case for years in which it may be a PFIC. The mark-to-market election is not available for a lower-tier PFIC.

We will use commercially reasonable efforts to make available to U.S. Holders, upon their written request: (a) timely and accurate information as to our status as a PFIC and the PFIC status of any subsidiary in which Ur-Energy owns more than 50% of such subsidiary's total aggregate voting power, and (b) for each year in which Ur-Energy determines that it is a PFIC, upon written request, a PFIC annual information statement with respect to Ur-Energy and with respect to each such subsidiary that we determine is a PFIC.

Special adverse rules that impact certain estate planning goals could apply to our Common Shares if we are a PFIC. Each U.S. shareholder should consult its own tax advisor regarding the U.S. federal, state and local consequences of the PFIC rules, and regarding the QEF and mark-to-market elections.

As a result of the Canadian Foreign Affiliate Dumping Rules any foreign purchaser of more than 10% of the Common Shares may be subject to adverse Canadian tax consequences.

Section 212.3 of the Tax Act (the "Foreign Affiliate Dumping Rules") may apply where a corporation resident in Canada (a "CRIC") that is, or becomes as part of a series of transactions, controlled by, a non-resident corporation (the "Non-Resident Parent") makes an investment in a "subject corporation". An investment in a subject corporation includes an acquisition of shares of another CRIC, where in general terms: (i) more than 75% of the fair market value of the other CRIC's property is comprised of shares of foreign subsidiaries; and (ii) at the time of the acquisition, or as part of the series of transactions, the acquiring CRIC, together with its related parties, indirectly owns at least 10% of the shares of any class of any of the target CRIC's foreign subsidiaries. Where applicable, the Foreign Affiliate Dumping Rules may deem the acquiring CRIC to have paid a dividend to its Non-Resident Parent that would be subject to Canadian withholding tax, or could potentially reduce the paid-up capital of the shares of the target CRIC.

In the event that Ur-Energy is a CRIC and more than 75% of the fair market value of the Company's property is comprised of shares of foreign subsidiaries, a potential purchaser of Common Shares: (i) that is itself a CRIC; and (ii) that is controlled by, or that becomes at any time during a series of transactions or events (including a purchase of Common Shares) controlled by, a Non-Resident Parent, should consult its own tax advisor with respect to the potential application of the proposed Foreign Affiliate Dumping Rules in connection with any acquisition of Common Shares.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 3. LEGAL PROCEEDINGS

There is pending an administrative review of the BLM Record of Decision ("ROD") in the office of the State Director of the BLM; the request for review was made in November 2012. Although the State Director accepted the request for review, the BLM State Director denied the related request to stay construction at the Lost Creek Project. The basis of the request for review is similar in nature to certain of the claims made in a judicial challenge to the ROD, also made in November 2012. The U.S. District Court for the District of Wyoming affirmed the ROD against this challenge in September 2013.

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 ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act").

PART II**Item 5. MARKET FOR registrant's COMMON EQUITY AND RELATED STOCKHOLDER MATTERS and issuer purchases of equity securities****Market Information**

Since November 29, 2005, Ur-Energy's Common Shares have been listed and posted for trading on the Toronto Stock Exchange under the trading symbol "URE." The following table sets forth the price range per share and trading volume for the Common Shares:

	TSX Common Shares Volume	High CDN\$	Low
Quarter Ending			
March 31, 2012	10,271,200	1.49	0.86
June 30, 2012	3,882,400	1.23	0.75
September 30, 2012	10,524,400	1.21	0.64
December 31, 2012	6,227,000	1.04	0.70
March 31, 2013	4,510,300	0.98	0.73
June 30, 2013	8,373,000	1.37	0.76
September 30, 2013	8,248,800	1.41	0.96
December 31, 2013	7,312,500	1.57	1.02
January 1, 2014 to February 24, 2014	2,874,600	1.67	1.36

Since July 24, 2008, Ur-Energy's Common Shares have been listed for trading on the NYSE MKT (formerly, NYSE Amex Equities) exchange under the trading symbol "URG." The following table sets forth the price range per share and trading volume for the Common Shares:

	NYSE MKT Common Shares Volume	High US\$	Low
Quarter Ending			
March 31, 2012	28,016,400	1.50	0.85
June 30, 2012	31,766,700	1.24	0.72
September 30, 2012	22,025,600	1.23	0.63
December 31, 2012	11,971,600	1.08	0.70
March 31, 2013	11,184,300	0.98	0.72
June 30, 2013	33,595,300	1.34	0.74
September 30, 2013	30,110,900	1.39	0.92
December 31, 2013	35,868,000	1.48	1.00
January 1, 2014 to February 24, 2014	17,691,200	1.51	1.22

Holders

The authorized capital of Ur-Energy consists of an unlimited number of Common Shares and an unlimited number of Class A Preference Shares. As of February 24, 2014, 128,012,043 Common Shares are issued and outstanding and no preferred shares are issued and outstanding. We estimate that we have approximately 12,200 beneficial holders of our Common Shares. The holders of the Common Shares are entitled to one vote per share at all meetings of our shareholders. The holders of Common Shares are also entitled to dividends, if and when declared by our Board and the distribution of the residual assets of the company in the event of a liquidation, dissolution or winding up.

Our Class A Preference Shares are issuable by the directors in one or more series and the directors have the right and obligation to fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of each series. The rights of the holders of Common Shares will be subject to, and may be adversely affected by, the rights of the holders of any Class A Preference Shares that may be issued in the future. The Class A Preference Shares, may, at the discretion of the Board, be entitled to a preference over the Common Shares and any other shares ranking junior to the Class A Preference Shares with respect to the payment of dividends and distribution of assets in the event of liquidation, dissolution or winding up.

Shareholder Rights Plan

Ur-Energy maintains a shareholder rights plan (the "Rights Plan") designed to encourage the fair and equal treatment of shareholders in connection with any take-over bid for the company's outstanding securities. The Rights Plan is intended to provide the Board with adequate time to assess a take-over bid, to consider alternatives to a take-over bid as a means of maximizing shareholder value, to allow competing bids to emerge, and to provide our shareholders with adequate time to properly assess a take-over bid without undue pressure. The Rights Plan was reconfirmed by shareholders at Ur-Energy's annual and special meeting of shareholders on May 10, 2012.

Dividends

To date, we have not paid any dividends on our outstanding Common Shares and have no current intention to declare dividends on the Common Shares in the foreseeable future. Any decision to pay dividends on our Common Shares in the future will be dependent upon our financial requirements to finance future growth, the general financial condition of the company and other factors which our Board may consider appropriate in the circumstances.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth certain summary information concerning our equity compensation plans as at December 31, 2013. Directors, officers, employees, and consultants are eligible to participate in the Option Plan. Directors and employees, including executive officers, are eligible to participate in the RSU Plan.

	Number of Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (C\$)	Number of Common Shares Remaining for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights)	
Equity compensation plans approved by securityholders ⁽¹⁾	9,965,2269	\$ 1.27	(2) 1,352,811	(3)

Equity compensation plans not approved by securityholders	-	-	-
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- (1) Our shareholders have approved both the Ur-Energy Inc. Amended and Restated Stock Option Plan 2005, as amended, and the Ur-Energy Inc. Amended Restricted Share Unit Plan.
- (2) The exercise price represents the weighted exercise price of the 9,273,659 outstanding stock options.
Represents 1,065,872 Common Shares remaining available for issuance under the Ur-Energy Inc. Amended and
- (3) Restated Stock Option Plan 2005 and 286,939 Common Shares available under the Ur-Energy Amended Restricted Share Unit Plan.

Recent Sales of Unregistered Securities and Purchases of Equity Securities by the Issuer

On December 19, 2013, we closed a private placement through which we issued 4,709,089 share units which comprised one Common Share and one-half warrant for the purchase of Common Shares (for a total of 7,063,634 shares). The issuance of these securities was exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(a)(2) and Regulation D thereof, as a transaction by an issuer not involving a public offering. To the extent that purchasers were outside the United States, reliance was placed on Regulation S. Proceeds from this private placement were used for development and construction of our Lost Creek project and general corporate purposes.

On April 4, 2013, we issued 1,000,000 Common Shares, through a private placement, in consideration of a purchase agreement by which we repurchased a royalty interest at our Lost Creek project. The issuance of these securities was exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(a)(2) and Regulation D thereof, as a transaction by an issuer not involving a public offering.

We have not repurchased any equity securities.

Performance Graph

The following information in this Item 5 of this Annual Report on Form 10-K is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to the liabilities of Section 8 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent we specifically incorporate it by reference into such a filing.

The following graph illustrates the period from December 31, 2008 to December 31, 2013 and reflects the cumulative shareholder return of an investment in our Common Shares compared to the cumulative return of an investment in (a) the Russell 3000 Index, (b) the NYSE MKT Composite Index, and (c) the average of a peer group consisting of Denison Mines Corp., Uranium Energy Corp., Uranerz Energy Corporation, Uranium Resources, Inc. since December 31, 2008, assuming that US\$100 was invested and, where applicable, includes the reinvestment of dividends.

	2008	2009	2010	2011	2012	2013
Ur-Energy Inc.	100	125	474	137	133	223
NYSE MKT Index	100	131	158	163	169	174
Russell 3000	100	125	144	143	163	213
Peer Average	100	404	805	360	290	331

From the time period (2009 – 2013) reflected in the Performance Graph above, comparative cash compensation in the aggregate, for full-time executive officers is comparable, largely as a result of our restructuring in 2011. As discussed, executive compensation has remained relatively static over this period as a result of concerted budgetary constraints while we remained focused on obtaining all necessary regulatory authorizations for our Lost Creek project, and proceeded through construction into operations.

Item 6. SELECTED FINANCIAL DATA

The selected financial data set forth below are derived from our audited consolidated financial statements for the years ended December 31, 2013, 2012, 2011, 2010 and 2009, and should be read in conjunction with those financial statements and the notes thereto. The consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”). Reference should also be made to “Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.”

SUMMARY OF FINANCIAL CONDITION

(Amounts in thousands of U.S. Dollars except per share data)

	As of December 31				
	2013	2012	2011	2010	2009
Working capital	2,266	15,608	22,541	33,216	40,492
Current assets	10,432	18,210	23,566	34,047	41,490
Total assets	105,336	69,469	64,565	75,991	79,777
Current liabilities	8,166	2,602	1,025	831	998
Long-term liabilities	58,506	1,244	551	503	480
Shareholders equity	38,664	65,623	62,989	74,657	78,299
	Years ended December 31				
	2013	2012	2011	2010	2009
Revenue	7,616	Nil	Nil	Nil	Nil
Net loss for the period	(30,353)	(17,597)	(16,443)	(15,934)	(16,872)
Loss per common share:					
Basic and diluted	(0.25)	(0.15)	(0.16)	(0.16)	(0.18)
Cash dividends per common share	Nil	Nil	Nil	Nil	Nil

No dividends were paid during these five years.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Business Overview

The following discussion is designed to provide information that we believe necessary for an understanding of our financial condition, changes in financial condition and results of our operations. The following discussion and analysis should be read in conjunction with the accompanying audited consolidated financial statements and related notes. The financial statements have been prepared in accordance with U.S. GAAP.

2013 Developments

Lost Creek Property – Great Divide Basin, Wyoming

During 2013, construction of an innovative, state-of-the-art, in-situ uranium recovery facility at the Lost Creek Project was completed. We commenced construction in October 2012 following receipt of the last regulatory approval required for construction. We constructed the processing plant and maintenance facility during 2013. We also conducted development drilling and completed related construction in Mine Unit 1 during the year. Various aspects of automation and integration at the facility are being completed during commissioning at Lost Creek. We incurred \$55.5 million in construction, equipment purchases and wellfield development costs through December 31, 2013.

Uranium production was initiated in August 2013 and the daily recovery rate surpassed 2,200 pounds of U_3O_8 at a flow rate of 1,800 gallons per minute in September. Production head grades exceeded technical projections reaching levels of 200 mg/l U_3O_8 in October. Flow rates were intentionally reduced to effectively manage production rates while the new plant and water management systems were commissioned. By year-end, all plant production circuits were operating, with the first yellowcake drummed and packaged in October, and first U_3O_8 sales deliveries made in December. At year-end 2013, the daily recovery rate was 2,700 pounds of U_3O_8 at a flow rate of 830 gallons per minute with a grade of 270 mg/l U_3O_8 .

Uranium Sales and Production

2013 Results

During 2013, 190,365 pounds of U₃O₈ were captured within the Lost Creek plant. 131,216 of those pounds were packaged in drums and 94,827 pounds of the drummed inventory were shipped to the conversion facility where 90,000 pounds were sold to utility customers. Inventory, production and sales figures for the Lost Creek Project are as follows:

Highlights	Unit	2013	2012 ¹	Change
Pounds captured within the plant	lb	190,365	n/a	n/a
Cash cost per pound captured	\$/lb	\$ 4.82	n/a	n/a
Non-cash cost per pound captured	\$/lb	\$ 8.36	n/a	n/a
Wellfield cash cost ²	\$000	\$ 917	n/a	n/a
Wellfield non-cash cost ²	\$000	\$ 1,592	n/a	n/a
Pounds packaged in drums	lb	131,216	n/a	n/a
Cash cost per pound drummed	\$/lb	\$ 16.73	n/a	n/a
Non-cash cost per pound drummed	\$/lb	\$ 1.19	n/a	n/a
Plant cash cost ³	\$000	\$ 2,196	n/a	n/a
Plant non-cash cost ³	\$000	\$ 156	n/a	n/a
Pounds shipped to conversion facility	lb	94,827	n/a	n/a
Cash cost per pound shipped	\$/lb	\$ 0.34	n/a	n/a
Non-cash cost per pound shipped	\$/lb	nil	n/a	n/a
Distribution cash cost ⁴	\$000	\$ 33	n/a	n/a
Distribution non-cash cost ⁴	\$000	nil	n/a	n/a
Pounds sold	lb	90,000	n/a	n/a
Average spot price ⁵	\$/lb	n/a	n/a	n/a
Average long-term contract price	\$/lb	\$ 62.92	n/a	n/a
Average price	\$/lb	\$ 62.92	n/a	n/a
Average realized price ⁶	\$/lb	\$ 55.34	n/a	n/a
Net sales ⁶	\$000	\$ 4,981	n/a	n/a
Cash cost per pound sold	\$/lb	\$ 21.98	n/a	n/a
Non-cash cost per pound sold	\$/lb	\$ 12.41	n/a	n/a
Total cost per pound sold	\$/lb	\$ 34.40	n/a	n/a
Cost of sales ⁷	\$000	\$ 3,096	n/a	n/a

Notes:

- 1 Lost Creek commenced production in 2013. There was no production in 2012
- 2 Wellfield costs include all wellfield operating costs plus amortization of the related mineral property acquisition costs and depreciation of the related asset retirement obligation costs. Wellfield construction and development costs, which include wellfield drilling, header houses, pipelines, power lines, roads, fences and disposal wells, are treated as development expense and are not included in wellfield operating costs.
- 3 Plant costs include all plant operating costs, site overhead costs and depreciation of the related plant construction and asset retirement obligation costs.
- 4 Distribution costs include all shipping costs and costs charged by the conversion facility for weighing, sampling, assaying and storing the U₃O₈ prior to sale.
- 5 There were no spot sales in 2013.
- 6 Net sales revenues and the average realized price are net of county ad valorem and state severance taxes and do not include \$2,635,000 recognized from the gain on assignment of deliveries under long-term contracts because the additional revenue would distort the average realized price per pound.
- 7 Cost of sales include all production costs (notes 2, 3 and 4) adjusted for changes in inventory values.

Cash cost per pound and non-cash cost per pound for produced and sold uranium presented in the table above are non-U.S. GAAP measures. These measure do not have a standardized meaning or a consistent basis of calculation under U.S. GAAP. These measures are used to assess business performance and may be used by certain investors to evaluate performance. To facilitate a better understanding of these measures, the tables below present a reconciliation of these measures to the financial results as presented in our financial statements.

Average Price Realized Per Pound Reconciliation	Unit	2013	2012
Sales ¹	\$000	\$ 5,663	n/a
Ad valorem and severance taxes	\$000	\$ (682)	n/a
Net sales (a)	\$000	\$ 4,981	n/a
Pounds sold (b)	lb	90,000	n/a
Average price realized per pound (a ÷ b)	\$/lb	\$ 55.34	n/a

Notes:

- 1 Does not include \$2,635,000 recognized from the gain on assignment of deliveries under long-term contracts because the additional revenue would distort the average realized price per pound.

Ad valorem and severance taxes are calculated on the average price per pound of uranium that we sell and therefore the amount of the tax will fluctuate depending on the price of uranium we receive. Because of this relationship to the price of uranium, the taxes are deducted from sales revenues when determining the average realized price per pound sold. The 2013 average realized price per pound sold, after deducting the value-based ad valorem and severance taxes, was \$55.34.

Cost Per Pound Sold Reconciliation	Unit	2013	2012
Wellfield costs	\$000	\$ 2,509	n/a
Plant costs	\$000	\$ 2,352	n/a
Distribution costs	\$000	\$ 33	n/a
Inventory change	\$000	\$ (2,053)	n/a
Cost of sales (a)	\$000	\$ 3,096	n/a

Pounds sold (b)	lb	90,000	n/a
Cost per pound sold (a ÷ b)	\$/lb	\$ 34.40	n/a

While we did have a full-quarter of production costs in Q4 2013, we did not have a full quarter of uranium production. As a result, cost of goods sold (\$3,096,000) included a full quarter of production costs, including \$683,000 of post-construction commissioning costs. Our only uranium sales took place in the latter part of the quarter when we completed our first sales of 90,000 pounds of U₃O₈ in December 2013. Because of having a full quarter of costs, including the post-construction commissioning costs, and only a partial quarter of uranium sales, the average cost per pound sold is somewhat elevated as compared to what we would expect to see going forward. The 2013 average cost per pound sold, including non-cash costs, was \$34.40.

Outlook for 2014

In January 2014, production head grade continued to exceed technical projections averaging levels of 219 mg/l U₃O₈. All primary plant and disposal systems were functioning including both disposal wells and dryers. During January, 80,396 pounds of U₃O₈ were captured within the Lost Creek plant. 34,063 of those pounds were packaged in drums and 65,607 pounds of the drummed inventory were shipped to the conversion facility where 40,000 pounds were sold to utility customers under existing long-term contracts.

In mid-January, maintenance of existing systems commenced to improve plant efficiencies based on lessons learned throughout the commissioning process. Plant systems including the product dryers are being operated during the maintenance program, but at reduced rates. The maintenance is anticipated to be completed in late February or early March, after which time the systems will again be available to operate at full production levels. Expected production in the first quarter of 2014 is therefore projected to be slightly lower than we initially planned.

During the year, we expect to produce approximately 1.0 million pounds of U₃O₈. Based on the long-term contracts we have in place, we expect to sell approximately one third of the production into those contracts. The remainder of the sales will be at existing spot prices unless additional contract sales are put in place. Production costs are expected to be consistent with past results and technical projections, and the total cost per pound sold is expected to decrease between 5% and 15% as production and sales quantities rise to targeted rates.

Lost Creek Regulatory and Legal Proceedings

After receiving notice of final operational clearance from the NRC, we commenced production activities at Lost Creek in August 2013. NRC approvals to operate the dryer circuit followed in early October.

In November 2012, a Wyoming-based group filed a petition in the U.S. District Court for Wyoming for the review of the Bureau of Land Management's Record of Decision ("ROD"). In August 2013, the Court heard oral arguments of the parties, and subsequently, in September 2013, issued the Court's Order Upholding Agency Action. The Order denied all relief sought by the petitioner, and confirmed the BLM's decision to authorize the Lost Creek Project. An administrative proceeding was also initiated in November 2012 by another Wyoming-based group requesting review by the State Director's Office of the BLM. Although the State Director denied the request for a stay of the construction of Lost Creek in 2012, the request for administrative review was accepted. That review remains pending at this time.

Corporate Transactions and Financing Developments 2013

Pathfinder Mines Corporation Share Purchase Agreement (December 2013)

On July 24, 2012, we executed a Share Purchase Agreement to acquire Pathfinder Mines Corporation ("Pathfinder") in a transaction which called for the purchase of all issued and outstanding shares of Pathfinder from an AREVA Mining affiliate, for \$13,250,000. The initial payment of \$1,325,000 was made, in escrow, upon execution of the Share Purchase Agreement. Subsequently, in December 2013, the agreement was renegotiated, reducing the cash consideration by 50%, while introducing a 5% production royalty under certain market conditions. The renegotiated transaction closed based on the revised terms comprising a cash payment, following other pre-closing adjustments, of \$5,318,562, in addition to the escrow amount of \$1,325,000 paid in 2012. The royalty on revenue from future production from Pathfinder's Shirley Basin property is further described, above, in *Item 2. Properties*.

Private Placement, December 2013

On December 19, 2013, we completed a private placement for gross proceeds of \$5.18 million, resulting from the sale and issuance of 4,709,089 units at a purchase price of \$1.10 per unit. Each unit consisted of one common share and one-half of a warrant to purchase one common share at an exercise price of \$1.35 per share. The warrants are exercisable for three years. The agents were paid four and one half percent commission.

State of Wyoming Industrial Revenue Bond Loan, October 2013

Through our wholly-owned subsidiary Lost Creek ISR, we closed a \$34 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond (the “State Bond Loan”) in October 2013. 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 is payable in 28 quarterly installments which do not commence until January 1, 2015. The loan matures in October 2021. The State Bond Loan is secured by all of the assets of our Lost Creek projects. Closing and other fees and expenses for the State Bond Loan totaled approximately 2.3% of the loan amount.

RMB Australia Holdings Ltd: Various Loan Facilities

We established a banking relationship with RMB Australia Holdings Ltd (“RMBAH”) in 2013 which allowed for interim financing in the form of a bridge loan of \$5 million (May 2013), a first secured loan facility of \$20 million (June 2013; used in part to repay the bridge loan), and a second secured loan facility of \$15 million (August 2013), both providing for Lost Creek construction and general working capital. Both secured facilities were repaid upon the closing of the State Bond Loan in October 2013. The first facility remained available for redraw related to the Pathfinder acquisition, and \$5 million was redrawn on the facility in December 2013. This loan facility is now secured by the Pathfinder assets.

Off Take Sales Agreements (2011 – 2013)

In June 2013, we entered into a uranium sales arrangement for production in 2017 through 2019. The agreement calls for deliveries ranging between 200,000 to 300,000 pounds of uranium concentrate each year. The average delivery price under the agreement is consistent with the then-current published long-term U₃O₈ price indicators. An arrangement concluded in January 2012 calls for delivery of 200,000 pounds of uranium concentrates per year to a North American utility company in a multi-year schedule commencing in 2013. The average delivery price under the arrangement was consistent with the Long-Term U₃O₈ Price Indicator at that time as published by Trade Tech, one of the leading industry-recognized independent market consultants. In February 2012, we announced a uranium sales agreement under which we will deliver 100,000 pounds of uranium concentrates per year in another multi-year schedule. The agreement specifies firm delivery prices in the low \$60 per pound range over its term. Our first uranium sales agreement was completed in 2011; it calls for deliveries over a three-year period, commencing in 2013, at defined prices.

In March 2013, we closed a uranium sales transaction through an assignment of a portion of our contractual delivery obligations to one our utility customers. The assignment was made to Traxys, a large uranium and natural resource trading company, and we received payment in March of approximately \$5.1 million. We retained the other future delivery obligations under this utility’s uranium sales arrangements.

Technical Developments

We commissioned and filed an updated, independent, NI 43-101 technical report on Lost Creek, “*Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming,*” dated December 30, 2013 (the “2013 PEA”). This followed two NI 43-101 updates published in 2012. A review by an independent party was

necessary to comply with NI 43-101 which requires an independent review when the total mineral resource increases by more than 100% since the last independent review. The last independent NI 43-101 PEA for Lost Creek Property was issued in March 2011.

Based upon closely-spaced development drilling at Lost Creek Mine Unit 1 and further review of other data and resource criteria, a new mineral resource estimate for Lost Creek Property was calculated and the 2013 PEA was filed on December 30, 2013. The 2013 PEA indicates that the uranium mineralization is thicker, of higher grade and more extensive than previously estimated. The average grade recognized in Lost Creek Mine Unit 1 increased from approximately 0.055% to 0.066% eU₃O₈. The mineral resources for the Lost Creek Property were estimated in the 2013 PEA and are set forth above, in *Items 1 and 2. Business and Properties - Lost Creek Project Great Divide Basin, Wyoming Updated Preliminary Economic Assessment for Lost Creek Property.*

The Bootheel Project, LLC

In June 2013, the Management Committee of the Bootheel Project determined to abandon certain unpatented mining claims at the Bootheel property, while retaining mining claims and the State of Wyoming uranium lease on which a mineral resource is located. There is no reported mineral resource at the Buck Point property. The Management Committee therefore determined to abandon all unpatented mining claims at Buck Point. Subsequently, the State of Wyoming uranium lease at the Buck Point property was also relinquished. As a result, our investment in the Buck Point property (\$969,329) was written off. An impairment analysis of the remaining investment at the Bootheel property resulted in a write off of \$37,000 as at December 31, 2013.

Performance Results

Each year, we establish corporate objectives to complement our business strategy. Corporate objectives and business strategy are determined by the Board of Directors, taking into account the recommendations of the Chief Executive Office and executive management. 2013 was a successful year in terms of corporate objectives, with the following results.

2013 Corporate Objectives

Results

Advance the Lost Creek Project

- Achieve production
- NI 43-101 resource expansion

- Wellfield production was achieved in Q3. Drummed production was achieved in Q4
- Lost Creek Updated Preliminary Economic Assessment completed in Q4 with resource expansion
- Removed only privately-held production royalty in non-cash purchase agreement

Pathfinder Mines Corporation

- Complete acquisition
- Bring resources into NI 43-101 compliance

- Transaction closed in Q4. The acquisition was completed at a cash cost 50% below the original purchase price.
- Resources not brought into NI 43-101 compliance following Q4 closing, but work is currently in progress

Production Profile

- Rationalize project holdings
- Identify project priorities

- Existing holdings held, reduced or abandoned accordingly
- Projects were re-prioritized following the Pathfinder acquisition

Corporate Finance

- Maintain adequate cash position to advance Lost Creek

- A combination of debt and equity financings was used to meet cash requirements

Investor and Public Relations

- Develop event plans and budgets

- Events were planned, selected and budgeted

- Measure event results

- Metrics recorded, evaluation in progress.

Corporate Branding

· Develop and implement internal corporate branding program

· Program selected and partially implemented

Our 2014 corporate objectives are as follows.

2014 Corporate Objectives

Lost Creek Operations

- Stabilize operations and production rates
- Establish spending patterns and reduce costs
- Implement reverse osmosis and water management modifications
- Timely manage all permitting activities

Pathfinder Mines Corporation

- Integrate operations and regulatory activities
- Bring Shirley Basin resources into NI 43-101 compliance
- Initiate mine planning and permitting activities
- Initiate organization and analysis of acquired data

Production Profile

- Rationalize and prioritize project holdings
- Identify expansion opportunities

Corporate Finance and Administration

- Forecast and manage cash resources
- Enhance operating and cost reporting systems
- Review compensation & benefit programs
- Complete internal corporate branding program and develop external program

Safety and Performance

- Strive for no lost-time accidents and reduce injury frequency rates
- Comply with or exceed regulatory compliance requirements
- Achieve budgeted production, earnings and cash flow targets

Results of Operations

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The following table summarizes the results of operations for the years ended December 31, 2013 and 2012 (in thousands of U.S. dollars):

	Year ended December 31,	
	2013	2012
	\$	\$
Revenue	7,616	Nil
Cost of revenues	3,096	Nil
Gross profit	4,520	Nil
Exploration and evaluation expense	2,385	3,285
Development expense	18,465	8,979
General and administrative expense	5,592	6,107
Write-off of mineral properties	1,430	-
Net loss from operations	(23,352)	(18,371)
Interest income (Expense) (net)	(6,138)	307
Loss from equity investment	(1,022)	(64)
Foreign exchange gain (loss)	164	(385)
Other income (loss)	(5)	955
Net loss	(30,353)	(17,558)

Loss per share	basic and diluted	(0.25)	(0.15)
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Revenue

Prior to operations in 2013, we successfully negotiated contracts to deliver product to four utility companies over a period of several years. We delivered a total of 90,000 pounds against two contracts in 2013 and invoiced at the contract pricing. Production to this point has been used to fill existing delivery contracts so no U_3O_8 has been sold on the spot market to date. Severance taxes and ad valorem taxes which are based on the pounds extracted and the adjusted sales price of those pounds have been offset against the gross revenues from uranium sales.

During the year, we assigned the delivery obligations under two of the contracts for 2013 and 2014 to a third party broker for a payment of \$5.1 million. The broker delivered the 2013 shipment on a timely basis and we recognized the revenue on the portion of the sale that related to the 2013 deliveries (\$2.6 million). We will monitor the 2014 deliveries and recognize the remaining revenue once the deliveries have been made and accepted.

Cost of Revenue

The cost of revenue includes all costs of wellfield operations and maintenance, plant operations and maintenance and mine site overhead including depreciation on the related capital assets, capitalized reclamation costs and amortization of mineral property costs. While Lost Creek was in the commissioning and testing phases following the completion of construction, only those costs incurred once a phase was in successful production were included in cost of revenue. Specifically, the wellfield costs were included in inventory once U_3O_8 was being extracted at a commercial rate from the wellfield while plant costs and site administration costs were not charged to inventory until the production cycle had been completed and yellowcake was being dried and packaged. The resulting cost per pound was then compared to the estimated sales prices based on the contracts or spot sales anticipated for the distribution of the product. Any costs in excess of the calculated market value were charged to expense.

The costs included in cost of revenue were as projected, however, the costs of sales per pound was substantially higher than projected due to several factors. Our costs are primarily process based. Therefore, when production levels are lower, which is anticipated during commissioning, the cost per pound will be higher. In addition, all depreciation and amortization is being calculated using a straight line basis, so while production levels are low, the cost per pound will be high. As production levels increase, the costs per pound sold will decrease so long as production costs remain on target.

Expenses

Total expenses for the year ended December 31, 2013 were \$27.9 million which includes exploration and evaluation expense, development expense and G&A expense. These expenses increased by \$8.0 million compared to 2012 due primarily to completing the first disposal wells and preparing the wellfields for production.

Exploration and evaluation expense consists of labor and 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. These expenses decreased \$0.9 for the year ended December 31, 2013 compared to 2012. Payroll and stock based compensation costs declined by \$0.8 million for 2013 compared to 2012 due to the transfer of some employees to mine construction and operations on a full time basis and a reduction in stock based compensation costs. Legal fees declined by \$0.1 million related to evaluation expenses not repeated in 2013. Overall expenditures have been lower in recent years as the focus has been on developing the Lost Creek property and not on exploration activities. We maintain active geological and evaluation teams, however, who focus on developing existing operations as well as new mineral opportunities.

Development expense includes costs incurred at the Lost Creek Project prior to the receipt of final regulatory approval in October 2012 and costs not directly attributable to construction and production activities, including wellfield construction and development costs. Development expenses increased by \$9.5 million in 2013 compared to 2012. The most significant cost associated with in situ mining is the cost of constructing and developing the wellfield header houses, production wells, pipelines within the wellfield and to the plant and related facilities, roads, fencing, powerlines, and disposal wells. Of the cost of wellfield construction totaling \$15.3 million, \$12.0 million was included in development expenses in 2013 and \$3.3 million was included in development expenses in 2012 as a part of the restatement of wellfield construction costs as non-capital costs, pursuant to Industry Guide 7. In addition, \$1.9 million associated with the construction and completion of disposal wells was included in development expenses in 2013 and \$1.2 million was included in the restatement of 2012. These costs are considered development costs despite potential future benefits as we have no proven and probable mineral reserves as defined by CIM Definition Standards and are precluded from capitalizing these expenses under SEC guidance. These costs will continue to be incurred in future years as we expand and develop new wellfields within the Lost Creek and at other projects.

G&A expense relates to administration, finance, investor relations, land and legal functions and consists principally of personnel, facility and support costs. Expenses decreased \$0.5 million for the year ended December 31, 2013, respectively, compared to 2012. This is primarily due to a decrease in stock based compensation expenses of \$0.7 million in 2013 compared to 2012. This was partially offset by an increase of \$0.3 million in legal fees and other outside services for the year.

Write off of mineral properties increased by \$1.4 million for the year 2013 as we decided to abandon claims at South Granite Mountain and private leases at Mustang.

Other Income and Expenses

We incurred interest expense in excess of interest income for the first time due to borrowing associated with the construction of the Lost Creek facility. Until the completion of construction and commencement of production, we capitalized most interest and loan amortization costs related to capitalized assets as construction costs. Interest expense includes interest on the Wyoming State Bond Loan from its inception in October until year end of \$0.4 million. The write off of loan fees included the cost of warrants issued as a part of the loan consideration to RMBAH totaled \$5.8 million for the year 2013 was also included in interest expense.

Write off of investments increased by \$1.0 million for the year ended December 31, 2013 as the management of the Bootheel Project venture allowed claims which contained no economic mineralization to lapse on the Buck Point property.

Because of the conversion of functional currency to the US\$ for U.S. operations, gains and losses from foreign exchange no longer include the gains and losses associated with translating U.S. balances into Canadian dollars. As a result, these currency gains and losses on transactions are no longer significant.

In February 2012, we exchanged a database of geologic information in the Southwest Powder River Basin, Wyoming for mineral claims, state leases and related data which primarily comprises most of LC East and LC West. The fair value of the property received was \$1.0 million which is reported in other income for the year ended December 31, 2012.

Loss per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2013 was \$0.25 compared to \$0.15 in 2012. The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

The following table summarizes the results of operations for the years ended December 31, 2012 and 2011 (in thousands of U.S. dollars):

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	Year ended December 31,	
	2012	2011
	\$	\$
Revenue	Nil	Nil
Exploration and evaluation expense	3,285	5,126
Development expense	8,979	3,769
General and administrative	6,107	7,585
Net loss from operations	(18,371)	(16,480)
Interest income	307	243
Loss from equity investment	(64)	(314)
Foreign exchange loss	(385)	186
Other income (loss)	955	(78)
Net loss	(17,558)	(16,443)
Loss per share basic and diluted	(0.15)	(0.16)

Expenses

Total expenses for the year ended December 31, 2012 were \$18.4 million and include exploration and evaluation expense, development expense and G&A expense. These expenses increased by \$1.9 million compared to 2011.

Exploration and evaluation expenses consist of labor and associated costs of the exploration geology department as well as land holding and exploration costs including drilling and analysis on properties which have not reached the permitting or operations stage. These expenses decreased \$1.8 million for the year ended December 31, 2012, compared to 2011. Drilling costs declined \$0.9 million compared to 2011 as we were engaged in exploration drilling at LC North in 2011. Payroll and stock based compensation costs declined by \$0.4 million compared to 2011 due to the transfer of some employees to the mine construction on a full time basis and the allocation of greater labor costs to projects in development or construction. In addition, \$0.3 million was incurred on evaluation of a merger and acquisition opportunity during the second quarter of 2011 resulting in a decrease in expense of that amount for the year ended December 31, 2012.

Development expense relates to expenses incurred at the Lost Creek Project prior to receipt of the final regulatory approval, wellfield construction costs, disposal well drilling and completion and expenses incurred at the LC East project. These projects are considered development because they are more advanced in terms of permitting or delineation drilling. We continued to expense costs at the Lost Creek Project which are not directly attributable to construction at the facility. Overall expenses increased by \$5.2 million for the year ended December 31, 2012 compared to 2011. The company incurred \$2.3 million in production drilling and other construction activities in mine unit one while preparing it for production. In addition, we incurred \$2.2 million to drill a new disposal well and perform completion activities on a previously drilled test disposal well. The additional increase of \$0.6 million related to drilling costs incurred in LC East. Permitting costs decreased by \$0.7 million during 2012 as the initial permitting process was completed. This was offset by an increase in monitoring costs of \$0.6 million.

G&A expense relates to administration, finance, investor relations, land and legal functions and consists principally of personnel, facility and support costs. Expenses decreased \$1.5 million for 2012 compared to 2011. A restructuring of executives and other management and professional positions resulted in severance and related costs of approximately \$1.5 million in the second quarter 2011. In addition, costs associated with a withdrawn offering in the amount of \$0.3 million were incurred in early 2011. These were partially offset by an increase in stock based compensation of \$0.2 million in 2012 compared to 2011.

Other Income and Expenses

Our cash resources are invested with financial institutions in deposit accounts, guaranteed investment certificates, certificates of deposit, and money market accounts. The increase in interest income was driven by higher average cash resources in 2012 as compared to 2011 as well as an increase in the average interest rate.

The net foreign exchange loss for the year ended December 31, 2012 was primarily due to cash resources held in U.S. dollar accounts, which fluctuate relative to the Canadian dollar. During the year ended December 31, 2012, the U.S. dollar weakened 2.3% with respect to the Canadian dollar creating the loss. During the same period in 2011, the U.S. dollar had strengthened by 2.5% creating gains in that period.

We exchanged a database of geologic information in the Southwest Powder River Basin, Wyoming for mineral claims, state leases and related data. The fair value of the property received was \$1.0 million which is reported in other income for the period ended December 31, 2012.

Loss per Common Share

Both basic and diluted loss per common share for the year ended December 31, 2012 was \$0.15 compared to \$0.16 in 2011. The diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of all convertible securities outstanding given that net losses were experienced.

Material Changes in Financial Condition, Liquidity and Capital Resources

As of December 31, 2013, we had cash resources, consisting of cash and cash equivalents of \$1.6 million, a decrease of \$16.3 million from the December 31, 2012 balance of \$17.9 million which included short-term investments. The cash resources consist of Canadian and U.S. dollar denominated deposit accounts, money market funds and certificates of deposit. We used \$27.8 million for operating activities during the year ended December 31, 2013. During the same period, we used \$32.3 million for investing activities (excluding short-term investment transactions). We generated \$43.8 million from financing activities for the year.

We have financed our operations from inception primarily through the issuance of equity securities and debt instruments. The Company did not expect to generate any cash resources from operations until it successfully completed start-up activities at the Lost Creek Project. Construction and development of the Lost Creek Project commenced in October 2012 after receiving the Record of Decision from the U.S. Department of the Interior Bureau of Land Management (“BLM”). Production activities began in August 2013 after receiving final operational clearance from the NRC. Initial deliveries and product sales commenced in December 2013 although the first collections under those sales did not occur until January 2014.

On October 23, 2013, we closed a \$34 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond financing program (“State Bond Loan”). Due to delays in closing the State Bond Loan, we had previously obtained interim financing from RMB Australia Holdings (“RMBAH”) in the form of a \$5 million Bridge Loan, a \$20 million First Loan Facility and a \$15 million Second Loan Facility. The Bridge Loan was paid off with proceeds from the First Loan Facility and the First and Second Loan Facility were paid off from the proceeds of the State Bond Loan. On December 19, 2013, we redrew \$5.0 million from the First Loan Facility and raised \$5.2 million from a private placement for the purpose of acquiring Pathfinder Mines Corporation. As of December 31, 2013, the outstanding balance of the First Loan Facility was \$5.0 million and the State Bond Loan was \$34 million.

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 is payable in 28 quarterly installments commencing January 1, 2015 and continuing through October 1, 2021. The State Bond Loan is secured by all of the assets at the Lost Creek Project. The First Loan Facility calls for payments of interest at at 7.5% plus the three month LIBOR rate recalculated at the start of each calendar quarter, approximately 7.77% plus four equal quarterly principal payments commencing March 31, 2014. The RMBAH Loan Facility is secured by all of the assets of the Pathfinder Mines Corporation.

The private placement consisted of 4.7 million units (one Common Share and one half warrant) at \$1.10 per unit and closed on December 19, 2013. Net proceeds after expenses were \$4.9 million.

Operating activities used \$27.8 million during the year ended December 31, 2013 as compared to using \$14.7 million of cash resources for 2012. The change is entirely due to the completion of construction and startup of production. While we reflect sales of \$8.3 million in 2013, the net cash to the Company was only the \$5.1 million collected on the assignment of the delivery contracts (of which \$2.6 was recognized as income in 2013). An additional \$2.8 million was used for inventory and prepaid expenses associated with prepaid insurance and loan fees. This was partially offset by a \$0.8 million increase in trade payables compared with 2012. As indicated above, we spent approximately \$15.0 million for wellfield and disposal well construction necessary for commencement of production which was expensed to development expense.

During 2013, the Company invested \$32.3 million in facilities and equipment related to the construction of the Lost Creek plant. The Company invested an additional \$5.3 million in the purchase of Pathfinder Mines Corporation. In addition, the Company increased its restricted cash by \$3.0 million due to posting cash collateral for additional surety bonds, which cover estimated future reclamation activities at the Lost Creek Project.

During 2013, the Company generated \$43.8 million from investing activities, primarily from the State Bond Loan, the First Loan Facility and the private placement as discussed above.

Liquidity Outlook

During 2012 and 2013, we completed the construction and startup of the Lost Creek facility. Additional capital investments are therefore not anticipated in the coming years with the exception of the purchase of minor equipment to replace or enhance existing assets. Based upon our current capital balance and the expected timing of product sales, we believe we will be able to meet current obligations without additional funding. Additional cash will be required to fund our portion of the reclamation surety bond program for both Lost Creek and Pathfinder properties. This is anticipated to be approximately \$6.3 million in 2014. Additional cash may be required for the construction and development of Pathfinder's Shirley Basin project, but no budget or timetable has been established for that project pending the results from the additional drilling and related work currently being conducted.

We expect that any major capital projects will be funded by operating cash flow, cash on hand or additional financing as required. If these cash sources are not sufficient, certain capital projects could be delayed, or alternatively we may need to pursue additional debt or equity financing and there is no assurance that such financing will be available at all or on terms acceptable to us. We have no immediate plans to issue additional securities or obtain additional funding other than that which may be required due to the uneven nature of cash flows from operations; however, we may issue additional debt or equity securities at any time.

Table of Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2013:

	Payments due (by period) in thousands				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Notes payable	39,153	5,153	8,371	9,384	16,245
Interest on notes payable	9,628	2,087	3,498	2,485	1,558
Operating leases	703	203	400	100	-
Environmental remediation	85	-	-	-	85
Asset retirement obligations	17,279	-	-	7,370	9,909
Development agreement	167	167	-	-	-
	67,015	7,610	12,269	19,339	27,797

Outstanding Share Data

As of December 31, 2013 and 2012, the Company's capital consisted of the following:

	December 31, 2013	December 31, 2012	Change
Common shares	127,559,743	121,134,276	6,425,467
Warrants	8,374,112	150,000	8,224,112
RSUs	691,610	826,425	(134,815)
Stock options	9,273,659	8,511,722	761,937
Fully diluted shares outstanding	145,899,124	130,622,423	15,276,701

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.

Financial Instruments and Other Instruments

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

	As at December 31, 2013 \$	As at December 31, 2012 \$
Cash on deposit at banks	296	262
M oney market funds	1,331	11,274
	1,627	11,536

The Company's short-term investments are composed of:

	As at December 31, 2013 \$	As at December 31, 2012 \$
Guaranteed investment certificates	-	6,450
Certificates of deposit	-	10
	-	6,460

Quarterly financial data (unaudited)

	2013 Quarter ended			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenue	7,616	-	-	-
Net loss for the period	(6,161)	(7,336)	(9,661)	(7,195)
Loss per share basic and diluted	(0.05)	(0.06)	(0.08)	(0.06)
	2012 Quarter ended			
	Dec. 31	Sep. 30	Jun. 30	Mar. 31
Revenue	Nil	Nil	Nil	Nil
Net loss for the period	(8,146)	(4,508)	(2,515)	(2,389)
Loss per share basic and diluted	(0.03)	(0.04)	(0.02)	(0.02)

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, deposits and restricted cash, which together totaled approximately \$6.7 million at December 31, 2013. These assets include Canadian dollar and U.S. dollar denominated certificates of deposit, money market accounts and demand deposits. They bear interest at annual rates ranging from 0.18% to 0.6% and mature at various dates up to August 27, 2014. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately \$0.9 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation or the United States Federal Deposit Insurance Corporation which leaves approximately \$5.8 million at risk at December 31, 2013 should the financial institutions with which these amounts are invested be rendered insolvent. We do not consider any of our financial assets to be impaired as of December 31, 2013.

Liquidity risk

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

As at December 31, 2013, our financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of \$2.9 million which are due within normal trade terms of generally 30 to 60 days, notes payable which will be payable over periods 0 to 7 years and asset retirement obligations with estimated completion dates until 2033.

Item 7A. Quantitative AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. As the US\$ is now the functional currency of U.S. operations, the currency risk has been significantly reduced.

Interest rate risk

Financial instruments that expose the Company to interest rate risk are its cash equivalents, deposits, restricted cash and debt financings. 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

We maintain a balance of less than \$0.1 million in foreign currency resulting in a low currency risk.

Commodity Price Risk

The Company is subject to market risk related to the market price of uranium. We have six uranium supply contracts with pricing fixed or based on inflation factors applied to a fixed base. Additional 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, and governmental legislation in uranium producing and consuming countries and production levels and costs of production of other producing companies. The spot market price for uranium has demonstrated a large range since January 2001. Prices have risen from \$7.10 per pound at January 2001 to a high of \$136.00 per pound as of June 2007. The spot market price was \$35.55 per pound as of February 24, 2014.

Transactions with Related Parties

During the years ended December 31, 2013 and 2012, we did not participate in any material transactions with related parties.

Proposed Transactions

As is typical of the mineral exploration and development 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.

Recent Accounting Pronouncements Adopted in the Year Ended December 31, 2013

We continue to monitor new accounting pronouncements and their applicability to our operations and reporting. During 2013, there were not new pronouncements which directly affected our accounting policies or reporting.

Recent Accounting Pronouncements Not Yet Adopted

We continue to monitor new accounting pronouncements and their applicability to our operations and reporting. During 2013, there were not new pronouncements which directly affected our accounting policies or reporting.

Critical Accounting Policies and Estimates

During the year ended December 31, 2013, we constructed and commenced operations at our first in situ recovery mine at the Lost Creek project in Wyoming. We have established the existence of mineralized materials at the Lost Creek project, 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.

We have regularly monitored practices followed by our peer companies in the industry. As a result of this, we have changed our accounting policy with respect to the nature of items that qualify for capitalization for in situ uranium mining operations to align our policy to the accounting treatment that has been established as best practice for these types of mining operations.

The specific costs affected by this change are those associated with the development of the wellfield which, during 2012 and 2013, was being constructed as a part of the Lost Creek project. The development of this wellfield includes production and monitor well drilling and completion, piping within the wellfield and to the processing facility, header houses used to monitor production and disposal wells associated with the operation of the mine. These costs are now expensed when incurred.

During the year ended December 31, 2012, a total of \$4.4 million of such expenditures was capitalized as part of construction in progress within capital assets. Accordingly, the comparative year financial statements have been restated to show the impact of this change in accounting policy and reflect this \$4.4 million as development expense.

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.

As of December 31, 2013, the current and long term price of uranium was \$35.00 and \$50.50, respectively. This compares to prices of \$43.38 and \$56.50 as of December 31, 2012. Other than as discussed earlier, management did not identify any impairment indicators for any of the Company's mineral properties during the twelve months ended December 31, 2013.

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.

Depreciation

The depreciable life of the Lost Creek plant, equipment and enclosure was determined to be the nameplate life of the equipment housed in the processing plant as plans exist for other uses for the equipment beyond the estimated production at the Lost Creek Project.

Inventory and Cost of Sales

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

Share-Based Compensation

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. 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.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See "Index to Consolidated Financial Statements" following the signature page of this Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. 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) Management's Report on Internal Control over Financial Reporting

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

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

As of December 31, 2013, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment using those criteria, management concluded that the Company maintained effective internal control over financial reporting as of December 31, 2013. The effectiveness of the Company's internal control over financial reporting at December 31, 2013, has been audited by PricewaterhouseCoopers LLP, as stated in their report.

(c) Attestation Report of the Registered Public Accounting Firm

PricewaterhouseCoopers LLP's attestation report on our intern