JONES SODA CO
Form POS AM
March 31, 2014

Registration No. 333-166556

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 3

TO FORM S-3

ON FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

JONES SODA CO.

(Exact Name of Registrant as Specified in its Charter)

Washington (State or Other Jurisdiction of Incorporation)	2086 (Primary Standard Industrial Classification Code Number)	52-2336602 (IRS Employer Identification Number)

1000 First Avenue South, Suite 100
Seattle, Washington 98134
(206) 624-3357
(Address, Including Zip Code, and Telephone Number, including area code, of Registrant's Principal Executive Offices)

Jennifer L. Cue Chief Executive Officer Jones Soda Co.	With a copy to: Timothy M. Woodland, Esq. 524 Second Ave., Suite 500

1000 First Avenue South, Suite 100 Seattle, Washington 98134 (206) 624-3357 (Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)	Seattle, Washington 98104-2323 (206) 254-4424

Approximate date of commencement of proposed sale to the public: From time to time after the Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registrations statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registrations statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (4)
Common stock, no par value, and warrants to purchase common stock (2) (3)	$30,000,000	$2,139

(1) The table lists each class of securities being registered and the aggregate proceeds to be raised in the primary offering, but does not specify information by each class as to the amount to be registered, the proposed maximum aggregate offering price per unit or the proposed maximum aggregate offering price. Any securities registered hereunder may be sold separately or as units with other securities registered hereunder. In no event will the aggregate offering price of all securities issued from time to time pursuant to the registration statement exceed $30,000,000, inclusive of any exercise price thereof. Pursuant to Rule 416(a) under the Securities Act of 1933, the shares being registered hereunder also include such indeterminate number of shares of our common stock as may be issued or issuable from time to time with respect to the securities being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2) Subject to note (1) above, there is being registered hereunder an indeterminate number of shares of our common stock as may from time to time be sold hereunder. In addition, pursuant to Rule 457(i) under the Securities Act of 1933, the shares being registered hereunder include an indeterminate number of shares of our common stock as may be issued from time to time upon exercise of the warrants issued directly hereunder.

(3) Subject to note (1) above, there is being registered hereunder an indeterminate number of warrants to purchase shares of our common stock.

(4) The registration fee was calculated pursuant to Rule 457(o) under the Securities Act of 1933 on the basis of the maximum aggregate offering price of the securities listed. The registration fee was previously paid in full with the filing by the registrant of its Form S-3 registration statement (File No. 333-166556) on May 6, 2010.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

On May 6, 2010, we filed a Form S-3 registration statement (File No. 333-166556), which was declared effective on May 18, 2010 (the “Registration Statement”). The Registration Statement was a shelf registration for the primary offering and sale, from time to time, of up to $30,000,000 of securities, consisting of shares of common stock and warrants to purchase shares of common stock. All filing fees payable in connection with the Registration Statement were paid in full at the time of the initial filing of the Registration Statement.

Upon filing our Annual Report on Form 10-K for the year ended December 31, 2012, we ceased to be eligible to use Form S-3. Accordingly, pursuant to Rule 401(b) under the Securities Act of 1933, and in order to comply with Section 10(a)(3) of the Securities Act, we filed a Post-Effective Amendment No. 1 to convert the Registration Statement from Form S-3 to Form S-1. After filing our Post-Effective Amendment No. 1, we filed a Post-Effective Amendment No. 2 to address the comments raised by the Securities and Exchange Commission regarding our Post-Effective Amendment No. 1.

We are filing this Post-Effective Amendment No. 3 in order to comply with Section 10(a)(3) of the Securities Act, with respect to the audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2013.

Pursuant to the Registration Statement, we previously sold and issued an aggregate of 11,713,946 shares (the “Shares”) and 3,207,500 warrants (the “Warrants”) for the purchase of up to 3,207,500 shares of common stock (subject to adjustment in accordance with the terms of the Warrants) (the “Warrant Shares”). As of the date of this Post-Effective Amendment No. 3, Warrants for 150,000 Warrant Shares have been exercised and the Warrant Shares underlying the remaining unexercised 3,057,500 Warrants remain reserved for sale and issuance upon exercise of such Warrants in accordance with their terms. Accordingly, the prospectus included in this Post-Effective Amendment No. 3 relates only to the primary offering of the remaining 3,057,500 Warrant Shares, from time to time, upon future exercise of the Warrants.

Upon completion of the offering, in accordance with the undertaking contained in the Registration Statement pursuant to item 512(a)(3) of Regulation S-K, we will file a further Post-Effective Amendment to deregister the securities that were not sold, and will not be sold, pursuant to the Registration Statement. The aggregate offering price for all securities sold pursuant to the Registration Statement (inclusive of the exercise prices for the Warrants, as if they were exercised in full) is $11,900,408, out of the maximum aggregate offering price of $30,000,000 under the Registration Statement.

The information in this Prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated March 28, 2014

PROSPECTUS

JONES SODA CO.

3,057,500 Shares of Common Stock underlying Warrants

This prospectus covers the sale and issuance of up to 3,057,500 shares of the common stock of Jones Soda Co. to holders of outstanding warrants, upon exercise of such warrants. The warrants were issued on February 6, 2012 in a registered direct offering. The warrants have an exercise price of $0.70 per share and are exercisable at any time prior to the close of business on August 6, 2017.

To the extent that the warrants are exercised for cash, we will receive the cash proceeds from such exercise of up to a total potential of approximately $2,140,250, based on the exercise price of $0.70 per share. Any warrants that remain unexercised as of August 6, 2017, will be automatically exercised by cashless exercise, in accordance with the terms of the warrants.

The exercise price of the Warrants is subject to adjustment in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions, and also upon any distributions to our shareholders, business combinations, sale of substantially all assets and other fundamental transactions. The exercise of the warrants is subject to certain beneficial ownership and other limitations set forth in the warrants.

Our common stock is traded on the OTCQB under the trading symbol “JSDA” and the closing sale price of our common stock on March 19, 2014 was $0.46 per share. The warrants are not traded or listed for trading on any securities market.

Investing in our securities involves a high degree of risk and the purchasers of the securities may lose their entire investment. See “Risk Factors” beginning on page 3 of this prospectus and the risk factors described in the documents incorporated by reference into this prospectus. You should carefully read this prospectus, together with the documents incorporated by reference, before you invest in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 2014.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission. From time to time, we may file one or more prospectus supplements to add, update or change information included in this prospectus. You should read both this prospectus and any applicable prospectus supplements, together with additional information described below under the caption “Where You Can Find More Information” and “Incorporation by Reference of Certain Documents.” You should also carefully consider, among other things, the matters discussed in the section entitled “Risk Factors.”

We are responsible for the information contained and incorporated by reference in this prospectus and any applicable prospectus supplements. We have not authorized any other person to provide information different from that contained in this prospectus, any prospectus supplement and the documents incorporated by reference herein. If anyone provides you with different or inconsistent information, you should not rely on it. The information contained in this prospectus, in any prospectus supplement or in any document incorporated by reference is accurate only as of its date, regardless of the time of delivery of this prospectus or any sale of common stock.

This prospectus is not an offer to sell or solicitation of an offer to buy these shares of common stock in any circumstances under which or in any jurisdiction in which the offer or solicitation is unlawful.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the "Company," "we," "us," and "our" are to Jones Soda Co., a Washington corporation, and its wholly-owned subsidiaries.

ABOUT JONES SODA CO.

We develop, produce, market and distribute premium beverages which we sell and distribute primarily in North America through our network of independent distributors located throughout the United States and Canada and directly to our national and regional retail accounts. We also sell products in select international markets. Our products are sold primarily in grocery stores, convenience and gas stores, “up and down the street” in independent accounts such as delicatessens and sandwich shops, as well as through our national accounts with several large retailers. We refer to our network of independent distributors as our direct store delivery (DSD) channel, and we refer to our national and regional accounts who receive shipments directly from us as our direct to retail (DTR) channel. We do not directly manufacture our products but instead outsource the manufacturing process to third-party contract manufacturers. We also sell various products online, including soda with customized labels, wearables, candy and other items, and we license our trademarks for use on products sold by other manufacturers.

Our company is a Washington corporation formed in 2000 as a successor to Urban Juice and Soda Company Ltd., a Canadian company formed in 1986. Our principal place of business is located at 1000 First Avenue South, Suite 100, Seattle, Washington 98134. Our telephone number is (206) 624-3357. Our website address is www.jonessoda.com. The information on or accessible through our website is not part of this prospectus and should not be relied upon in connection with making an investment in our securities.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should consider carefully the risks described in the section entitled “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2013, as filed with the SEC, which is incorporated herein by reference in its entirety, as well as in any applicable prospectus supplement and other documents that we incorporate by reference into this prospectus. The risks so described are not the only risks facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, operating results, financial condition or prospects could be materially and adversely affected. This could cause the trading price of our common stock to decline and you may lose part or all of your investment. See also, “Special Note Regarding Forward-Looking Statements.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus and in documents that we incorporate by reference into this prospectus. We base these forward-looking statements on our expectations, assumptions, estimates and projections about our business and the industry in which we operate as of the date of this prospectus. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential” and similar expressions intended to identify forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our ability to successfully execute on our turnaround strategy and our operating plan;
- our ability to increase revenues and achieve case sales goals;
- our ability to establish, maintain and grow our distributor channels and retail accounts;
- the potential markets for our products and our ability to successfully compete in those and our existing markets;
- our plans to continue to develop new products and create and maintain brand-name recognition;
- estimates of future growth, sales and inventory levels;
- estimates of the capacity of our suppliers, manufacturers, distributors and other third parties to perform their respective obligations;
- predictions regarding future economic conditions and trends;
- the scope of our intellectual property protection; and
- our operating and business strategies, our industry, our projected cash needs, liquidity and capital resources and our expected future revenues, operations and expenditures.

Discussions concerning these forward-looking statements can be found, among other places, in the “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections incorporated in this prospectus by reference to our most recent Annual Report on Form 10-K, and in applicable prospectus supplements that we may file with the SEC. These statements are based largely on our expectations and projections about future events and trends affecting our business and represent our estimates and assumptions only as of the date of the document containing the applicable statement.

These forward-looking statements are subject to a number of risks and uncertainties that cannot be predicted, quantified or controlled and that could cause actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. We discuss many of these risks in greater detail in the “Risk Factors” section incorporated in this prospectus by reference to our most recent Annual Report on Form 10-K, and in applicable prospectus supplements that we may file with the SEC. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

THE OFFERING

Securities offered by us in this offering	Up to 3,057,500 shares of common stock issuable upon exercise of warrants.
Warrant exercise price	The warrants are exercisable for an initial exercise price of $0.70 per common share, subject to adjustment.
Term of warrants	The warrants are exercisable at any time prior to the close of business on August 6, 2017.
Common stock to be outstanding after this offering	41,767,916 shares of common stock (1)
Use of proceeds	We intend to use proceeds of this offering for working capital and other general corporate purposes. See “Use of Proceeds.”
OTCQB trading symbol	Our common stock is traded on the OTCQB Marketplace under the symbol
Risk factors	Investing in our common stock involves a high degree of risk and the purchasers of common stock upon exercise of warrants may lose their entire investment. See “Risk Factors” and the other information included and incorporated by reference in this prospectus and any applicable prospectus supplement for a discussion of risk factors you should carefully consider before deciding to invest in our securities

(1)The number of shares of common stock to be outstanding after this offering is based on 38,710,416 shares outstanding as of March 19, 2014, and assumes the exercise in full of all of the warrants. The number of shares of common stock to be outstanding after this offering excludes shares issuable under our equity incentive plans, whether currently outstanding or that may be issued in the future.

USE OF PROCEEDS

To the extent that the 3,057,500 warrants are exercised for cash, we will receive the cash proceeds from such exercise of up to a total potential of approximately $2,140,250, based on the exercise price of $0.70 per share. If any warrants are exercised on a “net share” or cashless basis, we will not receive any cash proceeds from such exercise. Any warrants that remain unexercised as of August 6, 2017, will be automatically exercised by cashless exercise, in accordance with the terms of the warrants. There can be no assurance that we will receive any cash proceeds from the exercise of the warrants.

To the extent we receive cash proceeds from the exercise of warrants, we intend to use such proceeds for working capital and other general corporate purposes. We cannot anticipate the timing or amount of any cash exercises of the warrants, if at all, and accordingly cannot specify with certainty the particular uses of the cash proceeds from this offering.

DILUTION

Purchasers of the shares of common stock upon exercise of the warrants will suffer immediate and substantial dilution in the net tangible book value per share of common stock. Our net tangible book value as of December 31, 2013, was approximately $3,260,000, or approximately $0.08 per share of common stock, based on 38,710,416 shares outstanding as of that date. Net tangible book value per share is determined by dividing our net tangible book value, which consists of our total tangible assets less total liabilities, by the number of shares of our common stock outstanding on that date.

Dilution in net tangible book value per share represents the difference between the price per share paid by purchasers in this offering and the net tangible book value per share of our common stock immediately after this offering. Without taking into account any other changes in the net tangible book value after December 31, 2013 (other than to give effect to our receipt of the estimated total gross proceeds assuming the cash exercise of all of the warrants to purchase 3,057,500 shares of common stock at an exercise price of $0.70 per share, less our estimated offering expenses), our pro forma net tangible book value as of December 31, 2013 (unaudited), would have been approximately $5,400,000, or approximately $0.13 per share of common stock. This represents an immediate increase of approximately $0.05 in net tangible book value per share to our existing shareholders and an immediate dilution of approximately $0.57 per share to purchasers in this offering. The following table (unaudited) illustrates this per share dilution:

Assumed public offering price per share upon exercise of warrants	$	0.70
Net tangible book value per share as of December 31, 2013		0.08

Pro forma net tangible book value per share as of December 31, 2013, after giving effect to this offering	0.13
Increase in pro forma net tangible book value per share attributable to this offering	0.05
Dilution in pro forma net tangible book value per share to purchasers in this offering	$ 0.57

The above table is based on 38,710,416 shares of our common stock outstanding as of December 31, 2013, as adjusted pro forma for 3,057,500 shares of common stock that may be issued in this offering, and excludes stock option awards under our equity incentive plans, whether currently outstanding or that may be granted in the future. To the extent that any stock options are exercised, new options or other equity awards are issued under our equity incentive plans, or we otherwise issue additional shares of common stock in the future, there will be further dilution to the purchasers.

DIVIDEND POLICY

We have never declared or paid any cash dividends with respect to our common stock. We currently intend to retain any future earnings to fund the development and growth of our business. We do not anticipate paying cash dividends on our common stock in the foreseeable future.

DESCRIPTION OF COMMON STOCK

We are a Washington corporation. The rights of our shareholders are governed by the Washington Business Corporation Act (the "WBCA"), our articles of incorporation and our bylaws. The following summary of some of the material terms, rights and preferences of our capital stock is not complete. You should read our articles of incorporation and our bylaws for more complete information.

Common Stock

We are authorized to issue up to 100,000,000 shares of common stock, no par value. As of March 19, 2014, we had 38,710,416 shares of common stock outstanding. We do not currently have in effect a shareholder rights plan.

Each share of common stock entitles its holder to one vote on all matters to be voted upon by the shareholders. Cumulative voting for directors is not permitted. Holders of common stock may receive ratably any dividends that our board of directors may declare out of funds legally available for that purpose, although to the date of this prospectus, no dividends have been declared or paid. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities. The common stock has no preemptive rights. All outstanding shares of common stock are fully paid and nonassessable, and the shares of our common stock to be issued under this prospectus will be fully paid and nonassessable upon proper exercise of the warrants in accordance with their terms.

Antitakeover Effects of Certain Provisions of Articles of Incorporation, Bylaws and Washington Law

The following is only a summary of certain provisions of the WBCA, our articles of incorporation and bylaws, and is not a complete discussion. You should read the WBCA and our articles of incorporation and bylaws for more complete information. The business combination provisions of Washington law, which are discussed below, and the provisions of our articles of incorporation and bylaws that are discussed below could have the effect of discouraging offers to acquire us and, if any such offer is made, could increase the difficulty of consummating such offer, even if the offer contains a premium price for holders of common stock or otherwise benefits shareholders.

Shareholder Meetings; Quorum. Our bylaws provide that our shareholders may call a special meeting only upon the request of holders of at least 10% of the votes entitled to be cast on any matter proposed for consideration at such special meeting. Additionally, our president or our board of directors may call special meetings of shareholders. Except as required by law, a quorum at any annual or special meeting of shareholders consists of the presence of at least 33 1/3% of the shares entitled to be cast by each voting group.

Requirements for Advance Notification of Shareholder Nominations. Our bylaws contain advance notice procedures with respect to the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee thereof. The existence of these advance notification provisions may make it more difficult for a third party to acquire, or may discourage a third party from acquiring, control of our board of directors.

Washington Anti-Takeover Statute. Washington law imposes restrictions on certain transactions between a corporation and certain significant shareholders. Chapter 23B.19 of the WBCA generally prohibits a “target corporation” from engaging in certain significant business transactions with an “acquiring person,” which is defined as a person or group of persons that beneficially owns 10% or more of the voting securities of the target corporation, for a period of five years after the date the acquiring person first became a 10% beneficial owner of the voting securities of the target corporation, unless the business transaction or the acquisition of shares is approved by a majority of the members of the target corporation’s board of directors prior to the time the acquiring person first became a 10% beneficial owner of the target corporation’s voting securities. Such prohibited transactions include, among other things:

- a merger or consolidation with, disposition of assets to, or issuance or redemption of stock to or from, the acquiring person;
- termination of 5% or more of the employees of the target corporation as a result of the acquiring person’s acquisition of 10% or more of the shares; or
- receipt by the acquiring person of any disproportionate benefit as a shareholder.

After the five-year period, a "significant business transaction" may occur if it complies with "fair price" provisions specified in the statute. A corporation may not "opt out" of this statute. We expect the existence of this provision to have an antitakeover effect with respect to transactions that our board of directors does not approve in advance and may discourage takeover attempts that might result in the payment of a premium over the market price for common stock held by shareholders or otherwise might benefit shareholders.

Limitations of Liability and Indemnification Matters

Our articles of incorporation provide that, to the fullest extent permitted by the WBCA, a director of our company shall not be personally liable to our company or our shareholders for monetary damages for his or her conduct as a director, except in certain circumstances involving intentional misconduct, knowing violations of law, illegal corporate loans or distributions, or any transaction from which the director receives personal benefit in money, property or services to which the director is not legally entitled.

Pursuant to our bylaws, each person who was or is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director or officer of our company or who, while a director of our company, is or was serving at our company's request as a director, officer, partner, trustee, employee or agent of another company or partnership, joint venture, trust or other enterprise, will be indemnified by us against all reasonable expenses incurred by such person in connection therewith. If a director or officer is made a party to a proceeding because he or she was or is a director or officer of our company, such director or officer will be indemnified for any judgment, settlement, penalty, fine or reasonable expenses incurred in such proceeding if:

- he or she acted in good faith; and
- he or she reasonably believed:
- in the case of conduct in the director's or officer's official capacity, that the conduct was in our company's best interests; and

		8,491	21,529	34,091
Cost of sales	(5,818)	(4,180)	(12,767)	(23,361)
Gross profit	6,250	4,311	8,762	10,730
Operating Expenses				
Exploration and evaluation	(828)	(981)	(2,370)	(2,216)
Development	(1,108)	(1,930)	(2,384)	(3,516)

General and administrative	(972)	(1,081)	(3,796)	(4,341)
Accretion of asset retirement obligations (note 13)	(134)	(129)	(399)	(383)
Write-off of mineral properties (note 7)	-	-	(62)	-
Income (loss) from operations	3,208	190	(249)	274
Interest expense (net)	(474)	(624)	(1,543)	(1,970)
Warrant mark to market adjustment	5	140	36	311
Loss on equity investment (note 9)	(3)	-	(5)	(5)
Write-off of equity investments (note 9)	(900)	-	(1,089)	-
Foreign exchange gain (loss)	(6)	7	(279)	(1)
Other income (loss)	(27)	5	15	5
Net income (loss) for the period	1,803	(282)	(3,114)	(1,386)
Income (loss) per common share				
Basic and diluted	0.01	-	(0.02)	(0.01)
Weighted average number of common shares outstanding				
Basic and diluted	143,605,552	130,187,127	141,324,039	130,012,501
COMPREHENSIVE INCOME (LOSS)				
Net income (loss) for the period	1,803	(282)	(3,114)	(1,386)
Other Comprehensive loss, net of tax				
Translation adjustment on foreign operations	2	254	251	272
Comprehensive income (loss) for the period	1,805	(28)	(2,863)	(1,114)

The accompanying notes are an integral part of these interim consolidated financial statements.

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Ur-Energy Inc.

Unaudited Interim Consolidated Statement of Shareholders' Equity

(expressed in thousands of U.S. dollars except for share data)

	Capital Stock Shares #	Amount $	Warrants $	Contributed Surplus $	Accumulated Other Comprehensive Income $	Deficit $	Shareholders' Equity $
Balance, December 31, 2015	130,188,775	168,911	4,175	14,632	3,357	(158,574)	32,501
Exercise of stock options	16,620	13	-	(4)	-	-	9
Common shares issued for cash, net of $883 of issue costs	13,085,979	5,686	-	-	-	-	5,686
Redemption of vested RSUs	314,178	256	-	(306)	-	-	(50)
Expiry of warrants	-	-	(66)	66	-	-	-
Non-cash stock compensation	-	-	-	603	-	-	603
Net loss and comprehensive income	-	-	-	-	251	(3,114)	(2,863)
Balance, September 30, 2016	143,605,552	174,866	4,109	14,991	3,608	(161,688)	35,886

The accompanying notes are an integral part of these interim consolidated financial statements.

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Ur-Energy Inc.

Unaudited Interim Consolidated Statements of Cash Flow

(expressed in thousands of U.S. dollars)

	Nine months ended September 30,	
	2016	2015
Cash provided by (used in)		
Operating activities		
Net loss for the period	(3,114)	(1,386)
Items not affecting cash:		
Stock based expense	603	675
Depreciation and amortization	3,852	5,354
Accretion of asset retirement obligations	399	383
Amortization of deferred loan costs	114	138
Provision for reclamation	(1)	-
Write off of investments	1,089	-
Write-off of mineral properties	62	-
Warrants mark to market gain	(36)	(311)
Gain on disposition of assets	(14)	(6)
Loss on foreign exchange	281	-
Deferred revenue recognized	(2,588)	-
Other loss	5	5
RSUs redeemed to pay withholding	(9)	(142)
Proceeds from assignment of sales contract	5,085	-
Change in non-cash working capital items:		
Accounts receivable	(3,289)	22
Inventory	(60)	310
Prepaid expenses	(86)	(6)
Accounts payable and accrued liabilities	243	617
Accrued income taxes	30	-
	2,566	5,653
Investing activities		
Funding of equity investment	(5)	(4)
Proceeds from sale of property and equipment	91	17
Purchase of capital assets	(281)	(45)
	(195)	(32)
Financing activities		
Issuance of common shares and warrants for cash	6,568	-

Share issue costs	(880)	-
Proceeds from exercise of stock options	9	410
Repayment of debt	(6,486)	(5,509)
	(789)	(5,099)
Effects of foreign exchange rate changes on cash	(64)	1
Net change in cash and cash equivalents	1,518	523
Beginning cash and cash equivalents	1,443	3,104
Ending cash and cash equivalents	2,961	3,627

The accompanying notes are an integral part of these interim consolidated financial statements.

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Ur-Energy Inc.

Condensed Notes to Unaudited Interim Consolidated Financial Statements

September 30, 2016

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

1.Nature of Operations

Ur-Energy Inc. (the “Company”) was incorporated on March 22, 2004 under the laws of the Province of Ontario. The Company was continued under the Canada Business Corporations Act on August 8, 2006. The Company is an exploration stage mining company, as defined by U. S. Securities and Exchange Commission (“SEC”) Industry Guide 7, headquartered in Littleton, Colorado. The Company is engaged in uranium mining and recovery operations, with activities including the acquisition, exploration, development and production of uranium mineral resources located in Wyoming. As of August 2013, the Company commenced uranium production at its Lost Creek Project in Wyoming.

Due to the nature of the uranium mining methods used by the Company on the Lost Creek Property, and the definition of “mineral reserves” under National Instrument 43-101 (“NI 43-101”), which uses the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards, the Company has not determined whether the properties contain mineral reserves. However, the Company’s “Amended Preliminary Economic Assessment of the Lost Creek Property, Sweetwater County, Wyoming,” February 8, 2016 (“Lost Creek PEA”) outlines the potential viability of the Lost Creek Property. The recoverability of amounts recorded for mineral properties is dependent upon the discovery of economic resources, the ability of the Company to obtain the necessary financing to develop the properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

2.Summary of Significant Accounting Policies

Basis of presentation

These unaudited interim consolidated financial statements do not conform in all respects to the requirements of generally accepted accounting principles for annual financial statements. The unaudited interim financial statements reflect all normal adjustments which in the opinion of management are necessary for a fair statement of the results for the periods presented. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2015. The year-end balance sheet data was derived from the audited financial statements and certain information and footnote disclosures required by United States generally accepted accounting principles (US GAAP) have been condensed or omitted.

New accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The amendments in ASU 2014-09 affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance, and creates a Topic 606 Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of the promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments are effective for annual reporting periods beginning after December 15, 2017. Early application is not permitted. We are assessing the impact this pronouncement may have on our financial reporting.

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In January 2016, the FASB issued ASU 2016-1, Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825). The amendments in this ASU supersede the guidance to classify equity securities with readily determinable fair values into different categories (that is, trading or available-for-sale) and require equity securities (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies) to be measured at fair value with changes in the fair value recognized through net income. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. The amendments also require enhanced disclosures about those investments. The amendments improve financial reporting by providing relevant information about an entity's equity investments and reducing the number of items that are recognized in other comprehensive income. This guidance is effective for annual reporting beginning after December 15, 2017, including interim periods within the year of adoption, and calls for prospective application, with early application permitted. Accordingly, the standard is effective for us beginning in the first quarter of fiscal 2019. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize all leases, including operating leases, unless the lease is a short-term lease. ASU 2016-02 also requires additional disclosures regarding leasing arrangements. ASU 2016-02 is effective for interim periods and fiscal years beginning after December 15, 2018, and early application is permitted. We are currently evaluating the impact that this standard update will have on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation-Stock Compensation- Improvements to Employee Share-Based Payment Accounting (Topic 718), which involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Under the new standard, income tax benefits and deficiencies are to be recognized as income tax expense or benefit in the income statement and the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. An entity should also recognize excess tax benefits regardless of whether the benefit reduces taxes payable in the current period. Excess tax benefits should be classified along with other income tax cash flows as an operating activity. In regard to forfeitures, the entity may make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. This ASU is effective for fiscal years beginning after December 15, 2016 including interim periods within that reporting period, however early adoption is permitted. We are currently evaluating the guidance to determine the Company's adoption method and the effect it will have on the Company's Consolidated Financial Statements.

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3.Cash and Cash Equivalents

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

	As at September 30, 2016 $	December 31, 2015 $
Cash on deposit at banks	1,340	1,202
Money market funds	1,621	241
	2,961	1,443

4.Accounts Receivable

The Company's accounts receivable consist of the following:

	As at September 30, 2016 $	December 31, 2015 $
Trade accounts receivable		
Company A	3,270	-
Other Companies	21	-

Total trade receivables	3,291	-
Other receivables	7	9
Total accounts receivable	3,298	9

The names of the individual companies have not been disclosed for reasons of confidentiality.

5.Inventory

The Company's inventory consists of the following:

	As at September 30, 2016 $	December 31, 2015 $
In-process inventory	866	994
Plant inventory	-	742
Conversion facility inventory	2,539	1,609
	3,405	3,345

As of September 30, 2016, there was no inventory on hand with costs in excess of net realizable value.

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6. Restricted Cash

The Company's restricted cash consists of the following:

	As at September 30, 2016 $	December 31, 2015 $
Money market account	7,457	7,457
Certificates of deposit	100	100
	7,557	7,557

The bonding requirements for reclamation obligations on various properties have been agreed to by the Wyoming Department of Environmental Quality ("WDEQ"), the Bureau of Land Management ("BLM") and the Nuclear Regulatory Commission ("NRC") as applicable. The restricted money market accounts are pledged as collateral against performance surety bonds which are used to secure the potential costs of reclamation related to those properties. Surety bonds providing $27.4 million of coverage towards specific reclamation obligations are collateralized by $7.5 million of the restricted cash at September 30, 2016.

7. Mineral Properties

The Company's mineral properties consist of the following:

	Lost Creek Property $	Pathfinder Mines $	Other US Properties $	Total $
Balance, December 31, 2015	16,662	20,738	13,210	50,610
Change in estimated reclamation costs (Note 13)	338	(188)	-	150
Property write-offs	-	-	(62)	(62)
Amortization	(2,226)	-	-	(2,226)
Balance, September 30, 2016	14,774	20,550	13,148	48,472

Lost Creek Property

The Company acquired certain Wyoming properties in 2005 when Ur-Energy USA Inc. purchased 100% of NFU Wyoming, LLC. Assets acquired in this transaction include the Lost Creek Project, other Wyoming properties and development databases. NFU Wyoming, LLC was acquired for aggregate consideration of $20 million plus interest.

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Since 2005, the Company has increased its holdings adjacent to the initial Lost Creek acquisition through staking additional claims and additional property purchases and leases.

There is a royalty on each of the State of Wyoming sections under lease at the Lost Creek, LC West and EN Projects, as required by law. Other royalties exist on certain mining claims at the LC South, LC East and EN Projects. Currently, there are no royalties on the mining claims in the Lost Creek, LC North or LC West Projects.

Pathfinder Mines

The Company acquired additional Wyoming properties when Ur-Energy USA Inc. closed a Share Purchase Agreement ("SPA") with an AREVA Mining affiliate in December 2013. Under the terms of the SPA, the Company purchased Pathfinder Mines Corporation ("Pathfinder") to acquire additional mineral properties. Assets acquired in this transaction include the Shirley Basin mine, portions of the Lucky Mc mine, machinery and equipment, vehicles, office equipment and development databases. Pathfinder was acquired for aggregate consideration of $6.7 million, a 5% production royalty under certain circumstances and the assumption of $5.7 million in estimated asset reclamation obligations.   At June 30, 2016, the royalty expired and has been terminated.

Other U.S. properties

In June 2016, the Company decided to abandon its claims in the Hauber project and wrote off $62 thousand being the carrying value of the investment in that project. No impairment indicators were identified or recorded for any properties other than the investment in Bootheel described below.

8.Capital Assets

The Company's capital assets consist of the following:

	As of September 30, 2016			As of December 31, 2015		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
	$	$	$	$	$	$
Rolling stock	3,236	2,894	342	3,819	3,179	640
Enclosures	32,991	4,816	28,175	32,987	3,578	29,409
Machinery and equipment	1,262	574	688	1,031	507	524
Furniture, fixtures and leasehold improvements	119	97	22	119	92	27
Information technology	1,152	1,013	139	1,111	923	188
	38,760	9,394	29,366	39,067	8,279	30,788

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9.Equity Investment

Following its earn-in to the Bootheel Project in 2009, Jet Metals Corp. was required to fund 75% of the project's expenditures and the Company the remaining 25%. The project has been accounted for using the equity accounting method with the Company's pro rata share of the project's loss included in the Statement of Operations since the date of earn-in and the Company's net investment reflected on the Balance Sheet. Under the terms of the operating agreement, the Company elected not to participate financially for the year ended March 31, 2012 which reduced the Company's ownership percentage to approximately 19%. The equity accounting method has been continued because the Company has an equal number of members on the management committee as the other member and can directly influence the budget, expenditures and operations of the project.

In 2016, the Company performed quarterly impairment analyses based on the mineralization at the Bootheel property and the then current spot price. It determined that impairments reflecting the then current spot price were warranted. Upon further analysis, it was determined that the deteriorating market conditions have made the investment not currently economically viable. Therefore, while the ownership interest will continue to be carried by the Company and the related resources retained, the Company has elected to write off the remaining basis in the investment as of September 30, 2016 resulting in a charge of $889 for the quarter and $1,089 for the year.

10.Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	As at	
	September 30, 2016	December 31, 2015
	$	$

Accounts payable	1,188	1,402
Severance and ad valorem tax payable	2,166	1,992
Payroll and other taxes	1,399	1,173
	4,753	4,567

11.Notes Payable

On October 15, 2013, the Sweetwater County Commissioners approved the issuance of a $34.0 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond (Lost Creek Project), Series 2013 (the "Sweetwater IDR Bond") to the State of Wyoming, acting by and through the Wyoming State Treasurer, as purchaser. On October 23, 2013, the Sweetwater IDR Bond was issued and the proceeds were in turn loaned by Sweetwater County to Lost Creek ISR, LLC pursuant to a financing agreement dated October 23, 2013 (the "State Bond Loan"). The State Bond Loan calls for payments of interest at a fixed rate of 5.75% per annum on a quarterly basis commencing January 1, 2014. The principal is payable in 28 quarterly installments commencing January 1, 2015 and continuing through October 1, 2021.

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On March 14, 2014, the Company modified a loan facility with RMB to include a $3.5 million line of credit. On October 15, 2015, the loan was amended to extend the maturity date of the $3.5 million line of credit to December 31, 2016 and spread the $3.5 million balance originally due March 31, 2016 over four quarterly payments commencing March 31, 2016 and concluding December 31, 2016, plus interest at a rate of approximately 9.13%. This was considered a modification for accounting purposes.

Deferred loan fees include legal fees, commissions, commitment fees and other costs associated with obtaining the various financings. Those fees amortizable within 12 months of September 30, 2016 are considered current.

The following table lists the current (within 12 months) and long term portion of each of the Company's debt instruments:

	As at September 30, 2016	December 31, 2015
	$	$
Current debt		
Sweetwater County Loan	4,558	4,367
RMB First Loan Facility	1,078	4,312
	5,636	8,679
Less deferred financing costs	(128)	(152)
	5,508	8,527
Long term debt		
Sweetwater County Loan	21,071	24,514
Less deferred financing costs	(486)	(577)
	20,585	23,937

Schedule of payments on outstanding debt as of September 30, 2016:

Debt	Total $	2016 $	2017 $	2018 $	2019 $	2020 $	Subsequent $	Maturity
Sweetwater County Loan								
Principal	25,629	1,115	4,623	4,895	5,183	5,487	4,326	October 1, 2021
Interest	4,042	368	1,311	1,039	752	447	125	
RMB First Loan Facility								
Principal	1,078	1,078	-	-	-	-	-	December 31, 2016
Interest	25	25	-	-	-	-	-	
Total	30,774	2,586	5,934	5,934	5,935	5,934	4,451	

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12.Deferred Revenue

In March 2016, the Company assigned its 2016 contractual delivery obligations under two of its sales contracts to a natural resources trading company in exchange for a cash payment of $5.1 million. The first delivery occurred in July 2016 while the second is scheduled for the fourth quarter. The Company reflects payments as revenue when the related deliveries under the contracts are settled. Accordingly, the Company recognized $2.6 million of revenue in the current quarter as a result of the July delivery.

13.Asset Retirement and Reclamation Obligations

Asset retirement obligations ("ARO") relate to the Lost Creek mine and Pathfinder projects and are equal to the present value of all estimated future costs required to remediate any environmental disturbances that exist as of the end of the period discounted at a risk-free rate. Included in this liability are the costs of closure, reclamation, demolition and stabilization of the mines, processing plants, infrastructure, aquifer restoration, waste dumps and ongoing post-closure environmental monitoring and maintenance costs.

At September 30, 2016, the total undiscounted amount of the future cash needs was estimated to be $27.2 million. The schedule of payments required to settle the ARO liability extends through 2033.

The restricted cash as discussed in note 6 is related to the surety bonds which provide security to the governmental agencies on these obligations.

	For the period ended	
	September 30, 2016	December 31, 2015
	$	$

Beginning of period	26,061	23,445
Change in estimated liability	150	2,101
Accretion expense	399	515
End of period	26,610	26,061

14.Shareholders’ Equity and Capital Stock

Stock options

In 2005, the Company’s Board of Directors approved the adoption of the Company's stock option plan (the “Option Plan”). The plan was most recently approved by the shareholders on April 29, 2014. Eligible participants under the Option Plan include directors, officers, employees and consultants of the Company. Under the terms of the Option Plan, stock options generally vest with Option Plan participants as follows: 10% at the date of grant; 22% four and one-half months after grant; 22% nine months after grant; 22% thirteen and one-half months after grant; and the balance of 24% eighteen months after the date of grant.

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Activity with respect to stock options is summarized as follows:

	Options #	Weighted-average exercise price US$
Balance, December 31, 2015	9,974,407	0.88
Exercised	(16,620)	0.59
Forfeited	(777,042)	0.71
Expired	(2,282,512)	1.63
Outstanding, September 30, 2016	6,898,233	0.69

The exercise price of a new grant is set at the closing price for the shares on the Toronto Stock Exchange (TSX) on the trading day immediately preceding the grant date so there is no intrinsic value as of the date of grant. The fair value of options vested during the nine months ended September 30, 2016 was $0.5 million.

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As of September 30, 2016, outstanding stock options are as follows:

	Options outstanding			Options exercisable			
Exercise price US$	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value US$ (thousands)	Number of options	Weighted-average remaining contractual life (years)	Aggregate Intrinsic Value US$ (thousands)	Expiry
0.88	200,000	0.1	-	200,000	0.1	-	October 24, 2016
0.69	826,143	0.3	-	826,143	0.3	-	January 12, 2017
1.06	200,000	0.3	-	200,000	0.3	-	February 1, 2017
0.90	100,000	0.4	-	100,000	0.4	-	March 1, 2017
0.58	1,137,805	1.2	-	1,137,805	1.2	-	December 7, 2017
0.59	510,324	1.6	-	510,324	1.6	-	April 25, 2018
0.95	100,000	1.8	-	100,000	1.8	-	August 1, 2018
0.91	794,443	2.2	-	794,443	2.2	-	December 27, 2018
1.28	100,000	2.5	-	100,000	2.5	-	March 31, 2019
0.78	837,228	3.2	-	837,228	3.2	-	December 12, 2019
0.87	200,000	3.7	-	152,000	3.7	-	May 29, 2020
0.66	709,262	3.9	-	383,002	3.9	-	August 17, 2020
0.61	1,183,028	4.2	-	638,837	4.2	-	December 11, 2020
0.69	6,898,233	2.2	-	5,979,782	1.9	-	

The aggregate intrinsic value of the options in the preceding table represents the total pre-tax intrinsic value for stock options with an exercise price less than the Company's TSX closing stock price of Cdn$0.64 as of the last trading day in the period ended September 30, 2016, that would have been received by the option holders had they exercised their options as of that date. No options were in-the-money as of September 30, 2016.

Restricted share units

On June 24, 2010, the Company's shareholders approved the adoption of the Company's restricted share unit plan (the "RSU Plan"). The RSU Plan was approved by our shareholders most recently on May 5, 2016.

Eligible participants under the RSU Plan include directors and employees of the Company. Under the terms of the original RSU Plan, RSUs vested with participants as follows: 50% on the first anniversary of the date of the grant and 50% on the second anniversary of the date of the grant. In March 2015, the Board approved amendments to the plan that (a) extend the redemption period so that, going forward, all RSUs in a grant are not redeemed until the second anniversary of the grant; (b) provide for redemption, instead of cancellation, of outstanding RSUs at the date of redemption for retiring directors and executive officers, which is defined as a threshold of combined service and age of 65 years, and a minimum of five years of service to the Company; and (c) update the RSU Plan for compliance with applicable laws. The amendments were approved and ratified by shareholder vote on May 28, 2015. Grants made subsequent to May 28, 2015 have been made pursuant to the amendments described.

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Activity with respect to RSUs is summarized as follows:

	Number of RSUs	Weighted average grant date fair value US$
Unvested, December 31, 2015	860,095	0.82
Vested	(186,733)	0.84
Forfeited	(20,401)	0.66
Unvested, September 30, 2016	652,961	0.70

As of September 30, 2016, outstanding RSUs are as follows:

Grant date	Number of unvested RSUs	Remaining life (years)	Aggregate Intrinsic Value US$ (thousands)
December 12, 2014	94,609	0.20	46
March 13, 2015	110,278	0.45	54
August 17, 2015	177,314	0.88	87
December 11, 2015	270,760	1.20	133

	652,961	0.84	320

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

Warrants

The following represents warrant activity during the period ended September 30, 2016.

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	Number of Warrants	Weighted-average exercise price US$
Outstanding, December 31, 2015	8,224,112	1.71
Expired	(25,000)	0.76
Outstanding, September 30, 2016	8,199,112	1.04

As of September 30, 2016, outstanding warrants are as follows:

Exercise price US$	Number of warrants	Remaining contractual life (years)	Aggregate Intrinsic Value US$ (thousands)	Expiry
1.35	2,354,545	0.2	-	December 19, 2016
0.91	4,294,167	1.7	-	June 24, 2018
0.95	1,550,400	1.9	-	August 27, 2018
1.04	8,199,112	1.3	-	

Share-based compensation expense

Share-based compensation expense was $0.2 million and $0.6 million for the three and nine months ended September 30, 2016 and $0.2 million and $0.7 million for the three and nine months ended September 30, 2015, respectively.

As of September 30, 2016, there was approximately $0.2 million of total unrecognized compensation expense (net of estimated pre-vesting forfeitures) related to unvested share-based compensation arrangements granted under the Option Plan and $0.3 million under the RSU Plan. The expenses are expected to be recognized over a weighted-average period of 0.6 years and 0.9 years, respectively.

Cash received from stock options exercised during the nine months ended September 30, 2016 was less than $0.1 million and $0.4 million for the nine months ended September 30, 2015.

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Fair value calculations

The initial fair value of options and RSUs granted is determined using the Black-Scholes option pricing model for options and the intrinsic pricing model for RSUs. There were no options or RSUs granted in the nine months ended September 30, 2016. The following assumptions were used in the calculations:

	Nine months ended September 30, 2015
Expected option life (years)	3.6
Expected volatility	57.00%
Risk-free interest rate	0.67%
Expected dividend rate	0%
Forfeiture rate (Options)	5.0%
Forfeiture rate (RSUs)	7.8%

The Company estimates expected volatility using daily historical trading data of the Company's common shares, because this is recognized as a valid method used to predict future volatility. The risk-free interest rates are determined by reference to Canadian Treasury Note constant maturities that approximate the expected option term. The Company has never paid dividends and currently has no plans to do so.

Share-based compensation expense is recognized net of estimated pre-vesting forfeitures, which results in recognition of expense on options that are ultimately expected to vest over the expected option term. Forfeitures were estimated using actual historical forfeiture experience.

15. Sales

Sales have been derived from U_3O_8 being sold to domestic utilities, primarily under term contracts, as well as to a trader through spot sales.

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Sales consist of:

	Nine months ended September 30,			
	2016		2015	
	$		$	
Sale of produced inventory				
Company A	9,471	44.0%	6,098	17.9%
Company B	6,375	29.6%	5,094	14.9%
Company C	3,075	14.2%	4,343	12.7%
Company D	-	0.0%	6,671	19.6%
	18,921	87.9%	22,206	65.1%
Sales of purchased inventory				
Company E	-	0.0%	11,846	34.7%
Total sales	18,921	87.9%	34,052	99.9%
Disposal fee income	21	0.1%	39	0.1%
Recognition of revenue from sale of deliveries under assignment	2,587	12.0%	-	0.0%
	21,529	100.0%	34,091	100.0%

The names of the individual companies have not been disclosed for reasons of confidentiality.

16.Financial Instruments

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

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and restricted cash. These assets include Canadian dollar and U.S. dollar denominated certificates of deposits, money market accounts and demand deposits. These instruments are maintained at financial institutions in Canada and the United States. Of the amount held on deposit, approximately $0.6 million is covered by the Canada Deposit Insurance Corporation, the Securities Investor Protection Corporation or the United States Federal Deposit Insurance Corporation, leaving approximately $9.9 million at risk at September 30, 2016 should the financial institutions with which these amounts are invested be rendered insolvent. The Company does not consider any of its financial assets to be impaired as of September 30, 2016.

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All of the Company’s customers have Moody’s Baa or greater ratings and purchase from the Company under contracts for set prices and payment terms.

Liquidity risk

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

As at September 30, 2016, the Company’s financial liabilities consisted of trade accounts payable and accrued trade and payroll liabilities of $2.4 million which are due within normal trade terms of generally 30 to 60 days, notes payable which will be payable over periods of 0 to 5.0 years, and asset retirement obligations with estimated completion dates until 2033.

In February 2016, the Company raised $5.7 million (net of costs of $766 thousand) from the issuance of 12.9 million shares priced at $0.50 per share pursuant to a bought-deal financing. The rationale for raising funds was due to a change in the timing of contracted deliveries and payment commitments in 2016. The Company has relied primarily on cash flow from operations since deliveries from production commenced on a regular basis in 2014.

On May 27, 2016, we entered into an At Market Issuance Sales Agreement with MLV & Co. LLC and FBR Capital Markets & Co. under which we may, from time to time, issue and sell common shares at market prices on the NYSE MKT or other U.S. market through the distribution agents for aggregate sales proceeds of up to $10,000,000. Since its inception, we have sold 164,979 common shares under the sales agreement at an average price of $0.65 per share for gross proceeds of $108 thousand. After deducting transaction fees and commissions we received net proceeds of $105 thousand. After deducting all other costs associated with the completion of the agreement and filing the related prospectus supplement, we received $13 thousand.

We do not anticipate the need for additional funding in 2016 unless it is advantageous to do so. The Company may continue to consider additional financing opportunities until it builds sufficient cash reserves to cover the variability of cash receipts that result from a limited number of large sales annually which is typical in this industry. Although the Company has been successful in raising debt and equity financing in the past there is no assurance that such financing will be available at all or on terms acceptable to us.

Sensitivity analysis

The Company has completed a sensitivity analysis to estimate the impact that a change in interest rates would have on the net loss of the Company. This sensitivity analysis shows that a change of +/- 100 basis points in interest rate would have a nominal effect on either the three and nine months ended September 30, 2016 or the comparable three and nine months in 2015. The financial position of the Company may vary at the time that a change in interest rates occurs causing the impact on the Company’s results to differ from that shown above.

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

Business Overview

The following discussion is designed to provide information that we believe is necessary for an understanding of our financial condition, changes in financial condition and results of our operations. The following discussion and analysis should be read in conjunction with the MD&A contained in our Annual Report on Form 10-K for the year ended December 31, 2015.

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 uranium mining, recovery and processing activities, including the acquisition, exploration, development and operation of uranium mineral properties in the United States. We are operating our first in situ recovery ("ISR") uranium mine at our Lost Creek Project in Wyoming. Ur-Energy is a corporation continued under the Canada Business Corporations Act on August 8, 2006. Our Common Shares are listed on the TSX under the symbol "URE" and on the NYSE MKT under the symbol "URG."

Ur-Energy has one wholly-owned subsidiary: Ur-Energy USA Inc., incorporated under the laws of the State of Colorado. Ur-Energy USA has three wholly-owned subsidiaries: NFU Wyoming, LLC, a limited liability company formed under the laws of the State of Wyoming which acts as our land holding and exploration entity; Lost Creek ISR, LLC, a limited liability company formed under the laws of the State of Wyoming to operate our Lost Creek Project and hold our Lost Creek properties and assets; and Pathfinder Mines Corp. ("Pathfinder"), incorporated under the laws of the State of Delaware, which holds, among other assets, the Shirley Basin and Lucky Mc properties in Wyoming. Our U.S. subsidiaries remain unchanged since the filing of our Annual Report on Form 10-K, dated February 26, 2016.

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

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

We have multiple U_3O_8 sales agreements in place with various U.S. utilities for the sale of U_3O_8 at mid- and long-term contract pricing. The multi-year sales agreements represent a portion of our anticipated production through 2021. 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.

Mineral Rights and Properties

Ten of our U.S. properties are located in the Great Divide Basin, Wyoming, including Lost Creek. Currently we control nearly 1,900 unpatented mining claims and three State of Wyoming mineral leases for a total of approximately 37,500 acres (15,530 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 referred to as LC East, LC West, LC North, LC South and EN Project areas (collectively, with the Lost Creek Project, the "Lost Creek Property"). The decrease in acreage and total mining claims in the greater Lost Creek Property results from the abandonment of approximately 200 claims at the EN Project on the eastern side of the Property. We currently do not report any mineral resource on that particular project. Additionally, in the Shirley Basin, Wyoming, our Shirley Basin Project comprises more than 3,500 Company-controlled acres.

Lost Creek Property

For the nine months ended September 30, 2016, together, contract and spot sales from U_3O_8 produced at Lost Creek totaled 462,000 pounds at an average price of $40.95 per pound for sales revenues of $18.9 million. The Results of Operations are detailed further below. The Company also recognized $2.6 million of deferred revenue in the third quarter from the first half of the assignment transaction that was completed in 2016 Q1. The second half is expected to be recognized in the fourth quarter of 2016.

Development and Operations at Lost Creek

Production rates at Lost Creek during the quarter were within the projected level of 140,000 to 170,000 dried and drummed pounds. We continued to operate all Mine Unit 1 ("MU1") header houses ("HH") throughout the quarter, including HH 1, which was first brought on line in August 2013. The thirteenth and final originally-planned header house in MU1 was brought online late in May. As previously reported, HH 13 and its related patterns of production wells include certain refinements in design and well completion techniques in an effort to increase injectivity for even greater well performance. Results of HH 13's operations continue to validate these refinements, which are now in the process of being selectively applied to the other twelve header houses within MU1.

Regulatory Update

Applications for amendment to the Lost Creek licenses and permits were submitted in 2014. The amendments are intended to include recovery from the KM horizon and to include recovery of the uranium resource in the LC East project immediately adjacent to the Lost Creek project. Reviews by both the NRC and WDEQ were commenced and, in September 2015, the BLM issued a Notice of Intent to prepare an environmental impact statement for the amendments. We are responding to additional comments from the agencies, as part of the review process. Additional monitor wells have been drilled to provide additional hydrologic data in response to certain of the comments.

All general regulatory authorizations for Underground Injection Control (UIC) Class V wells have been completed for Lost Creek. Following receipt of the final such approval from NRC in September, we have been conducting pre-operational analyses and final testing, upon which final operational approvals will be provided by the regulators. These relatively shallow Class V wells will allow for the onsite disposal of up to 200 gpm of fresh permeate (i.e., clean water) from operations. Site operators will use the reverse osmosis (RO) circuits, which were installed during initial construction of the plant, to process waste water into brine and permeate streams. The brine stream will continue to be disposed of in the UIC Class I deep wells while the clean, permeate stream will be injected into the UIC Class V wells. We expect that the wells and RO system will be fully operational in fourth quarter 2016. We anticipate that this new disposal system will enhance waste water disposal capacity at the site.

Following a public comment period, the EPA continues with its rulemaking on changes to Part 192, which sets forth groundwater restoration and stabilization requirements for ISR uranium projects. Subsequent to the end

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of the quarter, the final form of rule has been forwarded to the Office of Management and Budget as a part of the routine progression of the rulemaking prior to its publication in the Federal Register. Together with others in industry, we continue to assess the potential impacts this rulemaking may have on our operations if and as it may be finalized.

Shirley Basin Project

WDEQ continues with its technical review of our application for a permit to mine at Shirley Basin, which was submitted in December 2015. Preparation of the application for source material license is nearing completion. We continue to monitor the progress of WDEQ’s effort to become an agreement state under its Land Quality Uranium Recovery Program.

Other Mineral Properties

In June 2016, we elected to not renew our claims in the area known as the Hauber Project. As a result, we have written off our investment of $62 thousand in that project. We maintain the related geologic database for the project to support future activities if warranted. In addition to the claims at the Hauber Project and those mentioned above at the EN Project, we also chose to abandon certain non-essential claims at other projects. The carrying value of the properties affected by this decision was not affected.

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Results of Operations

U_3O_8 Production and Sales

During the nine months ended September 30, 2016, we captured 434,446 pounds of U3O8 within the Lost Creek plant. 450,045 pounds were packaged in drums and 480,404 pounds of the drummed inventory were shipped to the conversion facility. We sold 462,000 pounds of U3O8 during the period. Inventory, production and sales figures for the Lost Creek Project are presented in the following tables. We are presenting the data in the tables for the last four quarters because the nature of our operations is not regularly based on the calendar year. We therefore feel that presenting the last four quarters is a more meaningful representation of operations than comparing comparable periods in the previous year and enables the reader to better perform trend analysis.

Production and Production Costs	Unit	2016 Q3	2016 Q2	2016 Q1	2015 Q4	Year to date
Pounds captured	lb	141,774	133,341	159,331	211,717	434,446
Ad valorem and severance tax	$000	$ 552	$ 304	$ 420	$ 470	$ 1,276
Wellfield cash cost (1)	$000	$ 858	$ 846	$ 1,013	$ 1,017	$ 2,717
Wellfield non-cash cost (1)(2)	$000	$ 778	$ 778	$ 731	$ 619	$ 2,287
Ad valorem and severance tax per pound captured	$/lb	$ 3.89	$ 2.28	$ 2.64	$ 2.22	$ 2.94
Cash cost per pound captured	$/lb	$ 6.05	$ 6.34	$ 6.36	$ 4.80	$ 6.25
Non-cash cost per pound captured	$/lb	$ 5.49	$ 5.83	$ 4.59	$ 2.92	$ 5.26
Pounds drummed	lb	145,893	130,308	173,844	189,480	450,045
Plant cash cost (3)	$000	$ 1,564	$ 1,505	$ 1,696	$ 1,687	$ 4,765
Plant non-cash cost (2)(3)	$000	$ 494	$ 494	$ 497	$ 497	$ 1,485
Cash cost per pound drummed	$/lb	$ 10.72	$ 11.55	$ 9.76	$ 8.90	$ 10.59
Non-cash cost per pound drummed	$/lb	$ 3.39	$ 3.79	$ 2.86	$ 2.63	$ 3.30
Pounds shipped to conversion facility	lb	149,540	148,714	182,150	181,568	480,404
Distribution cash cost (4)	$000	$ 86	$ 123	$ 88	$ 128	$ 297
Cash cost per pound shipped	$/lb	$ 0.58	$ 0.83	$ 0.48	$ 0.70	$ 0.62

Notes:

[1] 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.

[2] Non-cash costs include depreciation of plant equipment, capitalized ARO costs and amortization of the investment in the mineral property acquisition costs. The expenses are calculated on a straight line basis so the expense is constant for each quarter. The cost per pound from these costs will therefore vary based on production levels only.

[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 U_3O_8 prior to sale.

Production costs have remained relatively consistent over the past four quarters. However, ad valorem and severance tax did increase during the current quarter, which included a year-to-date adjustment that reflected a recently announced ad valorem tax rate increase. Production levels during the current quarter increased slightly with the addition of pounds from header house 13, which was brought on line in late May. With the exception

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of ad valorem and severance taxes, our production cost per pound generally decreased during the quarter because of the production increase.

Our wellfield cash costs increased slightly compared to the second quarter of 2016, due mainly to operating and maintenance supplies which was offset by reduced labor costs. The increase in supply costs was related to larger supply purchases which do not occur regularly. The reduction in labor was due to a reduction in force which occurred in June. Production volume increased for the quarter as header house 13 became fully operational. The higher production resulted in a slight reduction in wellfield cash cost per pound captured to $6.05 per pound.

Plant cash costs also increased slightly for the quarter due mainly to indirect costs such as monitoring, consulting and permitting and related governmental costs. However, pounds drummed increased primarily due to the increase in the number of pounds being captured and subsequently drummed since the completion and implementation of header house 13. The higher production resulted in a decrease of $0.83 to $10.72 per pound.

Distribution costs in 2016 Q3 were lower than the previous quarter as several assays were received which reflected fewer penalties from contaminants in the product shipped, even though more assays were received in the current quarter than the previous quarter. Pounds shipped were consistent with the previous period. As a result, the cash cost per pound shipped decreased to $0.58 per pound.

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Non-cash costs are normally fixed. However, most of the capitalized restoration costs for the first mine unit were expensed through depreciation as of September 30, 2015 based on our original estimated time to commence restoration. Actual restoration has not commenced because we are still extracting pounds from each header house in the first mine unit. Restoration will not begin until we have completed the extraction process in the first mine unit. This was reflected in the significant decline in non-cash wellfield costs in the fourth quarter of 2015. At December 31, 2015 and again at March 31, 2016, we recorded additional restoration assets for mine unit one based on the approval of updated projected restoration cost reports by the state of Wyoming. These costs are also being depreciated over approximately two years from the date of recording which will slightly increase the wellfield non-cash costs for the next two years. Plant non-cash costs were unchanged.

Sales and cost of sales	Unit	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2016 YTD
Pounds sold	lb	200,000	187,000	75,000	225,000	462,000
U3O8 sales	$000	$ 9,471	$ 6,741	$ 2,709	$ 7,756	$ 18,921
Average contract price	$/lb	$ 47.36	$ 39.35	$ 39.35	$ 28.49	$ 43.77
Average spot price	$/lb	$ -	$ 27.00	$ 34.50	$ 36.18	$ 30.75
Average price per pound sold	$/lb	$ 47.36	$ 36.05	$ 36.12	$ 34.47	$ 40.95
U3O8 cost of sales (1)	$000	$ 5,818	$ 5,094	$ 1,855	$ 5,931	$ 12,767
Ad valorem and severance tax cost per pound sold	$/lb	$ 3.09	$ 2.65	$ 2.61	$ 2.80	$ 2.84
Cash cost per pound sold	$/lb	$ 17.50	$ 16.88	$ 15.41	$ 15.42	$ 16.91
Non-cash cost per pound sold	$/lb	$ 8.50	$ 7.71	$ 6.71	$ 8.13	$ 7.88
Average cost per pound sold	$/lb	$ 29.09	$ 27.24	$ 24.73	$ 26.35	$ 27.63
U3O8 gross profit	$000	$ 3,653	$ 1,647	$ 854	$ 1,825	$ 6,154
Gross profit per pound sold	$/lb	$ 18.27	$ 8.81	$ 11.39	$ 8.11	$ 13.32
Gross profit margin	%	38.6%	24.4%	31.5%	23.5%	32.5%
Ending Inventory Balances						
Pounds						
In-process inventory	lb	57,647	62,028	71,602	88,788	
Plant inventory	lb	-	3,654	22,062	30,367	
Conversion facility inventory	lb	84,808	135,723	173,178	63,776	
Total inventory	lb	142,455	201,405	266,842	182,931	
Total cost						
In-process inventory	$000	$ 866	$ 929	$ 977	$ 994	
Plant inventory	$000	$ -	$ 115	$ 569	$ 742	
Conversion facility inventory	$000	$ 2,539	$ 3,846	$ 4,388	$ 1,609	
Total inventory	$000	$ 3,405	$ 4,890	$ 5,934	$ 3,345	
Cost per pound						
In-process inventory	$/lb	$ 15.02	$ 14.98	$ 13.64	$ 11.20	
Plant inventory	$/lb	$ -	$ 31.47	$ 25.79	$ 24.43	

Conversion facility inventory	$/lb	$ 29.94	$ 28.32	$ 25.34	$ 25.23

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Notes:

[1] Cost of sales include all production costs (notes 1, 2, 3 and 4 in the previous Production and Production Cost table) adjusted for changes in inventory values.

Ending Conversion Facility Inventory Cost Per Pound Summary	Unit	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Ad valorem and severance tax cost per pound	$/lb	$ 3.30	$ 2.68	$ 2.57	$ 2.66
Cash cost per pound	$/lb	$ 17.80	$ 17.50	$ 15.85	$ 15.39
Non-cash cost per pound	$/lb	$ 8.84	$ 8.14	$ 6.92	$ 7.18
Total cost per pound	$/lb	$ 29.94	$ 28.32	$ 25.34	$ 25.23

U_3O_8 sales of $9.5 million for 2016 Q3 were based on selling 200,000 pounds at an average price of $47.36 into regularly-scheduled contract deliveries. We did not make any spot sales during the quarter.

For the quarter, our cost of sales totaled $5.8 million based on selling 200,000 pounds from production at a total cost per pound of $29.09, up from $27.24 in the previous quarter as the higher priced pounds from the first two quarters made up much of what was sold in the current quarter.

At the end of the quarter, the average cash cost per pound in the conversion facility ending inventory was $17.80, an increase from $17.50 at the end of the previous quarter, and is reflective of the increased cost per pound produced for the previous quarters which was again primarily driven by the lower production levels.

The gross profit from the sale of produced uranium for the quarter was $3.7 million, which represents a gross profit margin of approximately 39%. This was higher than the previous quarter due to a contract sale at a higher price which occurred during the quarter.

GAAP Reconciliations

Cash cost per pound and non-cash cost per pound for produced and sold U_3O_8 presented in the above tables are non-GAAP measures. These measures do not have a standardized meaning or a consistent basis of calculation under 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 Per Pound Sold Reconciliation	Unit	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2016 YTD
Sales per financial statements	$000	$ 12,059	$ 6,747	$ 2,714	$ 7,786	$ 21,520
Less disposal fees	$000	$ -	$ (6)	$ (5)	$ (30)	$ (11)
Less revenue from sale of deliveries under contract	$000	$ (2,588)	$ -	$ -	$ -	$ (2,588)
U_3O_8 sales	$000	$ 9,471	$ 6,741	$ 2,709	$ 7,756	$ 18,921
Total pounds sold	lb	200,000	187,000	75,000	225,000	462,000
Average price per pound sold	$/lb	$ 47.36	$ 36.05	$ 36.12	$ 34.47	$ 40.95

The Company delivers U_3O_8 to a conversion facility and receives credit for a specified quantity measured in pounds once the product is confirmed to meet the required specifications. When a delivery is approved, the

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Company notifies the conversion facility with instructions for a title transfer to the customer. Revenue is recognized once a title transfer of the U_3O_8 is confirmed by the conversion facility.

In March 2016, the Company assigned its 2016 contractual delivery obligations under two of its sales contracts to a natural resources trading company in exchange for a cash payment of $5.1 million. The first delivery occurred in July 2016 while the second is scheduled for the fourth quarter. The Company reflects the payment as revenue when the related deliveries under the contracts are settled. Accordingly, the Company recognized $2.6 million of revenue in the current quarter as a result of the July delivery as reflected above.

Total Cost Per Pound Sold Reconciliation 1	Unit	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2016 YTD
Ad valorem & severance taxes	$000	$ 552	$ 304	$ 420	$ 470	$ 1,276
Wellfield costs	$000	$ 1,636	$ 1,624	$ 1,744	$ 1,636	$ 5,004
Plant and site costs	$000	$ 2,059	$ 1,998	$ 2,193	$ 2,184	$ 6,250
Distribution costs	$000	$ 86	$ 123	$ 88	$ 128	$ 297
Inventory change	$000	$ 1,485	$ 1,045	$ (2,590)	$ 1,513	$ (60)
Total cost of sales	$000	$ 5,818	$ 5,094	$ 1,855	$ 5,931	$ 12,767
Total pounds sold	lb	200,000	187,000	75,000	225,000	462,000
Total average cost per pound sold	$/lb	$ 29.09	$ 27.24	$ 24.73	$ 26.35	$ 27.63

[1] The cost per pound sold reflects both cash and non-cash costs, which are combined as cost of sales in the statement of operations included in this filing. The cash and non-cash cost components are identified in the above inventory, production and sales table.

The cost of sales includes ad valorem and severance taxes related to the extraction of uranium, all costs of wellfield, plant and site operations including the related depreciation and amortization of capitalized assets, reclamation and mineral property costs, plus product distribution costs. These costs are also used to value inventory and the resulting inventoried cost per pound is 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 are charged to cost of sales.

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Three and nine months ended September 30, 2016 compared to the three and nine months ended September 30, 2015

The following tables summarize the results of operations for the three and nine months ended September 30, 2016 and 2015 (in thousands of U.S. dollars):

	Three months ended September 30,	
	2016	2015
	$	$
Sales	12,068	8,491
Cost of sales	(5,818)	(4,180)
Gross profit	6,250	4,311
Exploration and evaluation expense	(828)	(981)
Development expense	(1,108)	(1,930)
General and administrative expense	(972)	(1,081)
Accretion	(134)	(129)
Write off of mineral property	-	-
Net profit (loss) from operations	3,208	190
Interest expense (net)	(474)	(624)
Warrant mark to market gain	5	140
Loss from equity investment	(3)	-
Write-off of equity investment	(900)	-
Foreign exchange loss	(6)	7
Other income	(27)	5
Net loss	1,803	(282)
Profit (loss) per share – basic and diluted	0.01	-
Revenue per pound sold	47.36	56.39
Total cost per pound sold	29.09	27.87
Gross profit per pound sold	18.27	28.52

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	Nine months ended September 30,	
	2016	2015
	$	$
Sales	21,529	34,091
Cost of sales	(12,767)	(23,361)
Gross profit	8,762	10,730
Exploration and evaluation expense	(2,370)	(2,216)
Development expense	(2,384)	(3,516)
General and administrative expense	(3,796)	(4,341)
Accretion expense	(399)	(383)
Write-off of mineral properties	(62)	-
Net profit (loss) from operations	(249)	274
Interest expense (net)	(1,543)	(1,970)
Warrant mark to market gain	36	311
Loss from equity investment	(5)	(5)
Write-off of equity investments	(1,089)	-
Foreign exchange loss	(279)	(1)
Other income	15	5
Net loss	(3,114)	(1,386)
Loss per share – basic and diluted	(0.02)	(0.01)
Revenue per pound sold	40.95	48.65
Total cost per pound sold	27.63	33.37
Gross profit per pound sold	13.32	15.28

Sales

We sold a total of 200,000 and 462,000 produced pounds of U_3O_8 during the three and nine months ended September 30, 2016 for an average price of $47.36 and $40.95 per pound, respectively, and 150,000 and 500,000 pounds of produced U_3O_8 during the three and nine months ended September 30, 2015 for an average price of $56.39 and $44.41 per pound, respectively. In addition, we recognized $2.6 million of revenue from the delivery of uranium by a trader under one of the contracts assigned to it, as discussed above. In the second quarter of 2015 we sold 200,000 pounds of purchased U_3O_8 for $59.23 per pound. This increased our average price per pound sold to $48.65 for the nine months ended September 30, 2015. The fluctuation in uranium sales prices relates primarily to the contractual delivery commitments and higher spot prices in 2015.

Cost of Sales

Our cost per pound sold for produced inventory increased $1.22 to $29.09 from $27.87 compared to the same quarter in 2015 and decreased by $3.34 to $27.63 from $30.97 for the comparable nine month periods. Including the sale of purchased inventory in 2015, the cost per pound increases to $39.39 for the nine month period. The high cost in 2015 was partially due to severance and ad valorem factor increases by the state of Wyoming in the fourth quarter which were later rescinded and reissued at lower amounts. The effect of the higher costs was reflected in the cost of sales in Q1 2015 as the inventory flowed through the process and into conversion facility inventory. Also, much of the depreciation on the reclamation costs of mine unit 1 was

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incurred by August 2015 so non-cash costs were significantly higher in 2015. Finally, our costs have stabilized as production has become more consistent although volume was down in the current year.

Gross Profit

The gross profit from the sale of produced U_3O_8 was \$3.7 million and \$6.2 million for the three and nine months ended September 30, 2016, respectively, which represents gross profit margins of approximately 39% and 33% as compared to \$4.3 million and \$6.7 million in the respective periods in 2015, which represented gross profit margins of approximately 52% and 30%, respectively. Gross profit per produced pound sold decreased to \$18.27 in 2016 Q3 from \$28.52 in 2015 Q3. For the nine month period, gross profit per produced pound increased \$0.13 to \$13.32 from \$13.45 in 2015.

Including the revenue from the assigned delivery in 2016 and the sale of purchased U_3O_8 in 2015, the gross profit for the three and nine months ended September 30, 2016 would be \$6.3 million and \$8.8 million respectively for gross profit percentages of 51% and 41%. This compares to gross profit of \$4.3 million and \$10.7 million for the respective periods in 2015, or 51% and 32%, respectively.

The primary reason for the significant fluctuation in gross profit is the contractual sales prices of the contracts delivered into for the periods. The quarter on quarter fluctuation is due to the timing of the deliveries into various contracts with different pricing points.

Operating Expenses

Total operating expense for the three and nine months ended September 30, 2016 was \$3.0 million and \$8.9 million, respectively. Operating expenses include exploration and evaluation expense, development expense and G&A expense. These expenses decreased by \$1.1 million and \$1.4 million compared to the same periods in 2015 due primarily to costs associated with labor, legal and consulting for the current quarter and drilling and header house construction that was lower for the year to date in 2016 compared to 2015.

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 \$0.2 million and increased \$0.2 million for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015. All costs associated with the geology and geological information systems departments as well as the costs incurred on specific projects as described above are reflected in this category. Claim and land related costs declined \$0.1 million for both the three and six month periods. Labor costs were lower during the three months due to the reduction in force, but higher for the nine months due to higher bonuses and a larger staff in the preceding quarters compared to comparable quarters in 2015.

Development expense includes costs incurred at the Lost Creek Project not directly attributable to production activities, including wellfield construction, drilling and development costs. It also includes costs associated with the Shirley Basin and Lucky Mc properties as they are in a more advanced stage. Development expenses decreased by $0.8 million during the current quarter and $1.1 million in the nine months ended September 30, 2016 compared to the same periods in 2015. The decrease was primarily related to a reduction in the drilling and header house construction costs in 2016 compared to 2015.

G&A expense relates to administration, finance, investor relations, land and legal functions and consists principally of personnel, facility and support costs. Expenses decreased by $0.1 million and $0.5 million for the

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three and nine months ended September 30, 2016, respectively, compared to 2015. The decrease related mainly to reduced external consulting and legal expenses, which was combined with lower labor costs.

Other Income and Expenses

Net interest expense declined $0.2 million and $0.4 million during the three and nine months ended September 30, 2016 compared to the prior year. The expense decline was directly attributable to principal payments reducing the outstanding note balances.

In December 2013, the Company sold equity units which included one common share and one half warrant for the purchase of stock at US$1.35 per common share. As the warrants were priced in U.S. dollars and not Canadian dollars, which is the parent company’s functional currency, these warrants are considered a derivative and are therefore treated as a liability. The mark to market gain and loss is based on changes in exchange rates and the other factors used in the calculation of Black-Scholes valuations which are not directly related to the Company’s results of operations. The valuation performed at September 30, 2016 indicated that the warrants no longer had any value and the liability was entirely written off.

In 2016, the Company performed quarterly impairment analyses based on the mineralization at the Bootheel property and the then current spot price. It determined that impairments reflecting the then current spot price were warranted. Upon further analysis, it was determined that the deteriorating market conditions have made the investment not currently economically viable. Therefore, while the ownership interest will continue to be carried by the Company and the related resources retained, the Company has elected to write off the remaining basis in the investment as of September 30, 2016 resulting in a charge of $889 for the quarter and $1,089 for the year.

Earnings and Loss per Common Share

The basic and diluted earnings and loss per common share for the three and nine months ended September 30, 2016 were earnings of $0.02 and a loss of $0.01 and losses of $0.00 and $0.01 for the same periods in 2015. 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. Dilution from the warrants was not included as the strike price exceeded the current market price of the common stock.

Liquidity and Capital Resources

As of September 30, 2016, we had cash resources, consisting of cash and cash equivalents of $2.9 million, an increase of $1.5 million from the December 31, 2015 balance of $1.4 million. The cash resources consist of Canadian and U.S. dollar denominated deposit accounts and money market funds. We generated $2.6 million in operating activities during the nine months ended September 30, 2016. During the same period, we used $0.2 million for investing activities and $0.8 million for financing activities.

Prior to the commencement of U_3O_8 deliveries and corresponding sales, we financed our operations primarily through the issuance of equity securities and debt instruments. Initial deliveries and product sales commenced in December 2013 although the first collections under those sales did not occur until January 2014. The Company may continue to consider additional financing opportunities until it builds sufficient cash reserves to cover the variability of cash receipts that result from a limited number of large sales annually which is typical in this industry.

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On October 23, 2013, we closed a $34.0 million Sweetwater County, State of Wyoming, Taxable Industrial Development Revenue Bond financing program (“State Bond Loan”). Prior to closing the State Bond Loan, we had obtained interim financing from RMB which had been paid off from the proceeds of the State Bond Loan. On December 19, 2013, we redrew $5.0 million from the RMB loan facility. We subsequently renegotiated the loan amount to $6.5 million together with an additional line of credit of $3.5 million. The RMB loan facility calls for payments of interest at 8.5% plus the three month LIBOR rate recalculated at the start of each calendar quarter (approximately 9.13% in total) plus eight equal quarterly principal payments which commenced June 30, 2014. On October 15, 2015, the loan was again amended to extend the maturity date of the $3.5 million line of credit to December 31, 2016 and spread the $3.5 million balance originally due March 31, 2016 over four quarterly payments commencing March 31, 2016 and concluding December 31, 2016, plus interest under the same terms as agreed to in September 2014. As of September 30, 2016, the balance on the line of credit is $1.1 million. The RMB loan facility is secured by all of the assets of Pathfinder.

The State Bond Loan calls for payments of interest at a fixed rate of 5.75% per annum on a quarterly basis which commenced January 1, 2014. The principal is payable in 28 quarterly installments which commenced January 1, 2015 and continue through October 1, 2021. The State Bond Loan is secured by all of the assets at the Lost Creek Project. As of September 30, 2016, the balance of the State Bond Loan was $26.7 million.

On August 19, 2014, we filed a universal shelf registration statement on Form S-3 in order that we may offer and sell, from time to time, in one or more offerings, at prices and terms to be determined, up to $100 million of our common shares, warrants to purchase our common shares, our senior and subordinated debt securities, and rights to purchase our common shares and/or our senior and subordinated debt securities. The registration statement became effective September 12, 2014. The 12,921,000 common shares offered in the February 2016 financing were sold for $0.50 per share raising $5.7 million (net of issue costs of $0.8 million) under the shelf registration statement.

On May 27, 2016, we entered into an At Market Issuance Sales Agreement with MLV & Co. LLC and FBR Capital Markets & Co. under which we may, from time to time, issue and sell common shares at market prices on the NYSE MKT or other U.S. market through the distribution agents for aggregate sales proceeds of up to $10,000,000. Since its inception, we have sold 164,979 common shares under the sales agreement at an average price of $0.65 per share for gross proceeds of $108 thousand. After deducting transaction fees and commissions we received net proceeds of $105 thousand. After deducting all other costs associated with the completion of the agreement and filing the related prospectus supplement, we received $13 thousand.

Collections for the nine months from U_3O_8 sales totaled $15.7 million.

Operating activities generated cash of $2.6 million during the nine months ended September 30, 2016 as compared to $5.7 million during the same period in 2015. The net loss for the nine months ended September 30, 2016 was $1.7 million greater than the corresponding loss in 2015. The most significant features of 2016 were the generation of $2.5 million from the assignment of a delivery scheduled for later in 2016 to a uranium trader, which was offset by $3.3

million in receivables from customers due primarily to a sale occurring on the late in the quarter.

During the first nine months of 2016, the Company invested $0.3 million in equipment and other assets and received $0.1 million in proceeds from the sales of used vehicles.

During the first nine months of 2016, the Company used $6.5 million for principal payments on the RMB and Sweetwater debts. This was partially offset by $5.7 million (net) from a bought deal financing.

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Liquidity Outlook

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 may be required for the construction and development of our Shirley Basin Project, but no budget or timetable has been established for that project pending approval of permitting.

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 do not anticipate the need for additional funding at this time unless it is advantageous to do so.

Looking ahead

At the end of the second quarter of 2016, the average spot price per pound of U_3O_8, as reported by Ux Consulting Company, LLC and TradeTech, LLC, had declined to approximately $26.70. As a result of that low spot price environment, we implemented cost savings measures, including workforce reductions at all three of our locations, and we deliberately reduced our production rates to levels that would satisfy the 2016 contractual sales obligations remaining at that time.

The average reported spot price per pound of U_3O_8 continued to decline during the third quarter of 2016, to approximately $23.00 at the end of the quarter. For the week of October 24, 2016, the average reported price was $20.00 per pound U_3O_8, which represents a decline of 42% since January 1, 2016, when the price was approximately $34.20.

In response, we have continued to monitor and prudently manage our costs as demonstrated in the earlier Production and Production Costs table. We have also minimized development expense activities to the extent possible without risking our ability to meet future contractual commitments and have once again lowered our production rates to levels that are consistent with our remaining 2016 and anticipated 2017 contractual sales obligations.

During the quarter, we dried and drummed about 146,000 thousand pounds U_3O_8, which was at the lower end of the projected range for the quarter. Because of the deteriorating spot price environment, we have lowered our production forecast again and are now targeting to dry and drum between 40,000 and 45,000 pounds per month in the fourth quarter, which would bring the estimated final production for 2016 within the range of 570,000 to 585,000 pounds.

During the nine months ended September 30, 2016, we sold 462,000 pounds of U_3O_8 at an average price per pound of \$40.95. Our gross margin per pound sold during the nine-month period was \$13.32, or approximately 33%. We have one remaining contractual delivery of 100,000 pounds at about \$33 per pound and, with it completed, we expect the profit margins for the year 2016 to be between 25% and 30%.

As at October 26, 2016, our unrestricted cash position was \$5.2 million. Given our current cash resources, contracted sales positions and low cash costs per pound, we do not anticipate the need for additional funding at this time unless it is advantageous to do so.

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Our production rates may be adjusted based on operational refinements, and indicators in the market, including uranium spot market and term pricing, and other factors. These factors may also influence the timing and method of delivery into our contractual sales obligations and the need for discretionary spot sales.

Transactions with Related Parties

Jeff Klenda, Executive Director of the Company, purchased 1,000,000 common shares under the bought-deal financing in February 2016 for gross proceeds of $500,000.

Proposed Transactions

As is typical of the mineral exploration, development and mining industry, we will consider and review potential merger, acquisition, investment and venture transactions and opportunities that could enhance shareholder value. Timely disclosure of such transactions is made as soon as reportable events arise.

Critical Accounting Policies and Estimates

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

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

Mineral Properties

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

As of September 30, 2016, the average current spot and long term prices of U_3O_8 were $23.00 and $37.50, respectively. This compares to prices of $34.23 and $44.00 as of December 31, 2015. Management reviewed impairment indicators and the effect the continued decline in uranium prices have on the valuation of the Company's mineral properties. Due to the anticipated timing of production and existence of long-term delivery contracts for near term production, management has determined that no impairment of their investment in mineral properties is necessary at this time.

In 2016, the Company performed quarterly impairment analyses based on the mineralization at the Bootheel property and the then current spot price. It determined that impairments reflecting the then current spot price were warranted. Upon further analysis, it was determined that the deteriorating market conditions have made the investment not currently economically viable. Therefore, while the ownership interest will continue to be carried by the Company and the related resources retained, the Company has elected to write off the remaining basis in the investment as of September 30, 2016.

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.

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

Share-Based Expense

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

Management utilizes the Black-Scholes model to calculate the fair value of the warrants and stock options at the time they are issued. 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.

New accounting pronouncements

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers (Topic 606)." The amendments in ASU 2014-09 affect any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance, and creates a Topic 606 Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of the promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments are effective for annual reporting periods beginning after December 15, 2017. Early application is not permitted. We are assessing the impact this pronouncement may have on our financial reporting.

In January 2016, the FASB issued ASU 2016-1, Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825). The amendments in this Update supersede the guidance to classify equity securities with readily determinable fair values into different categories (that is, trading or available-for-sale) and require equity securities (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies) to be measured at fair value with changes in the fair value recognized through net income. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. The amendments also require enhanced disclosures about those investments. The

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amendments improve financial reporting by providing relevant information about an entity's equity investments and reducing the number of items that are recognized in other comprehensive income. This guidance is effective for annual reporting beginning after December 15, 2017, including interim periods within the year of adoption, and calls for prospective application, with early application permitted. Accordingly, the standard is effective for us beginning in the first quarter of fiscal 2019. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize all leases, including operating leases, on the balance sheet as a lease asset or lease liability, unless the lease is a short-term lease. ASU 2016-02 also requires additional disclosures regarding leasing arrangements. ASU 2016-02 is effective for interim periods and fiscal years beginning after December 15, 2018, and early application is permitted. We are currently evaluating the impact that this standard update will have on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, Compensation-Stock Compensation- Improvements to Employee Share-Based Payment Accounting (Topic 718), which involves several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Under the new standard, income tax benefits and deficiencies are to be recognized as income tax expense or benefit in the income statement and the tax effects of exercised or vested awards should be treated as discrete items in the reporting period in which they occur. An entity should also recognize excess tax benefits regardless of whether the benefit reduces taxes payable in the current period. Excess tax benefits should be classified along with other income tax cash flows as an operating activity. In regards to forfeitures, the entity may make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. This ASU is effective for fiscal years beginning after December 15, 2016 including interim periods within that reporting period, however early adoption is permitted. We are currently evaluating the guidance to determine the Company's adoption method and the effect it will have on the Company's Consolidated Financial Statements.

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Off Balance Sheet Arrangements

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

Outstanding Share Data

The “Management’s Discussion and Analysis of Financial Condition and Results of Operations” includes information available to October 26, 2016. As of October 26, 2016, we had outstanding 143,605,552 common shares and 6,698,233 options to acquire common shares.

Item 3. Quantitative AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk

Market risk is the risk to the Company of adverse financial impact due to changes in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates.

Interest rate risk

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

At September 30, 2016 we maintained a balance of less than $0.1 million in foreign currency resulting in a low currency risk which is our typical balance.

Commodity Price Risk

The Company is subject to market risk related to the market price of U_3O_8. We have U_3O_8 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 U_3O_8 price fluctuations. Historically, U_3O_8 prices have been subject to fluctuation, and the price of U_3O_8 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 U_3O_8 producing and consuming countries and production levels and costs of production of other producing companies. The spot market price for U_3O_8 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 $20.00 per pound as of October 26, 2016.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this MD&A, under the supervision of the Chief Executive Officer and the Chief Financial Officer, the Company evaluated the effectiveness of its disclosure controls and procedures,

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as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to ensure that information the Company is required to disclose in reports that are filed or submitted under the Exchange Act: (1) is recorded, processed and summarized effectively and reported within the time periods specified in SEC rules and forms, and (2) is accumulated and communicated to Company management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's disclosure controls and procedures include components of internal control over financial reporting. No matter how well designed and operated, internal controls over financial reporting can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

(b) Changes in Internal Controls over Financial Reporting

No changes in our internal control over financial reporting occurred during the nine months ended September 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

Item 1. LEGAL PROCEEDINGS

No new legal proceedings or material developments in pending proceedings.

Item 1A. RISK FACTORS

There have been no material changes for the nine months ended September 30, 2016 from those risk factors set forth in our Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 4. MINE SAFETY DISCLOSURE

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

Item 5. Other Information

None

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Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Date of Report	Exhibit	Filed Herewith
31.1	Certification of CEO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of CFO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS*	XBRL Instance Document				X
101.SCH*	XBRL Schema Document				X
101.CAL*	XBRL Calculation Linkbase Document				X
101.DEF*	XBRL Definition Linkbase Document				X
101.LAB*	XBRL Labels Linkbase Document				X
101.PRE*	XBRL Presentation Linkbase Document				X

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

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SIGNATURES

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

		UR -ENERGY INC.
Date: October 28, 2016	By:	/s/ Jeffrey T. Klenda Jeffrey T. Klenda Acting Chief Executive Officer (Principal Executive Officer)
Date: October 28, 2016	By:	/s/ Roger L. Smith Roger L. Smith Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)