Ur-Energy Receives Approval of License Amendment for Lost Creek Expansion

written by Raj Shah | March 30, 2021

March 29, 2021 (Source) – **Ur-Energy Inc.** (NYSE American:URG)(TSX:URE) (the "Company" or "Ur-Energy") is pleased to announce that the Wyoming Uranium Recovery Program ("URP") has approved the LC East and KM amendments to the Lost Creek license allowing expansion of mining activities within the existing Lost Creek Project and in the adjacent LC East project.

This license approval grants the Company access to six planned mine units in addition to the already licensed three mine units at Lost Creek. The approval also increases the license limit for annual plant production to 2.2 million pounds U_3O_8 which includes wellfield production of up to 1.2 million pounds U_3O_8 and toll processing up to one million pounds U_3O_8.

In addition to the URP, the Bureau of Land Management ("BLM") and the Wyoming Department of Environmental Quality – Land Quality Division ("LQD") have regulatory oversight of Lost Creek and the amendment. The BLM completed an Environmental Impact Statement for the amendment in December 2018 and subsequently granted its approval. LQD continues its technical review of the application to similarly amend the Lost Creek permit to mine, and we anticipate their process will be complete in 2021 H2. Upon LQD approval of the amendment, all major permits will be in hand and construction and production can commence in the expanded areas pursuant to Company operational plans.

We stand ready to expand wellfield production within the already

fully permitted areas of Lost Creek to an annualized run rate of approximately one million pounds when conditions warrant. Our long-tenured operational and professional staff have significant levels of experience and adaptability which will allow for an easier transition back to full operations. Lost Creek operations can increase to full production rates in as little as six months following a "go" decision, simply by developing additional header houses within the fully permitted Mine Unit 2 ("MU2"). Development expenses during the six-month ramp up period in MU2 are estimated to be approximately $14 million and are almost entirely related to further well installation and header house construction costs. We are prepared to ramp up and to deliver our Lost Creek production inventory to the national uranium reserve being established by the U.S. Department of Energy pursuant to funding and directive of Congress. (*See* Ur-Energy News Release, December 22, 2020.)

Additionally, we anticipate receipt of all remaining major permitting authorizations for our Shirley Basin mine in the near-term. With those final authorizations in hand, we will be able to construct and operate at our Shirley Basin site, where we estimate up to nine years production based upon the mineral resources reported in the Shirley Basin Preliminary Economic Assessment.

In February 2021, we raised gross proceeds of $15.2 million through an underwritten public offering. Our cash position as of February 24, 2021 was $18.6 million. In addition to our strong cash position, we have nearly 285,000 pounds of finished, ready-to-sell inventory, worth nearly $9.0 million at current spot prices. The financing allows us to preserve our existing inventory for higher prices. The financing provides us adequate funds to maintain and enhance operational readiness, for possible future acquisitions, and for general working capital purposes.

About Ur-Energy

Ur-Energy is a uranium mining company operating the Lost Creek in-situ recovery uranium facility in south-central Wyoming. We have produced, packaged and shipped approximately 2.6 million pounds from Lost Creek since the commencement of operations. Applications are under review by WDEQ-LQD to incorporate our LC East project area into the Lost Creek permits and by various agencies to construct and operate at our Shirley Basin Project. Ur-Energy is engaged in uranium mining, recovery and processing activities, including the acquisition, exploration, development and operation of uranium mineral properties in the United States. Shares of Ur-Energy trade on the NYSE American under the symbol "URG" and on the Toronto Stock Exchange under the symbol "URE." Ur-Energy's corporate office is in Littleton, Colorado; its registered office is in Ottawa, Ontario. Ur-Energy's website is www.ur-energy.com.

FOR FURTHER INFORMATION, PLEASE CONTACT

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Cautionary Note Regarding Forward-Looking Information

This release may contain "forward-looking statements" within the meaning of applicable securities laws regarding events or conditions that may occur in the future (*e.g.*, receipt and the related timing of the LQD approval of the amendment to the Lost Creek permit to mine, and other remaining authorizations for the expansion of Lost Creek operations; the timing to determine future operational plans, and the ability to readily and cost-effectively ramp-up production operations at currently projected costs when market and other conditions warrant; the timing and program details for establishment of the new national uranium reserve and the Company's role in the program; receipt and the related timing of approvals of major authorizations at the

Company's Shirley Basin Project; anticipated life of mine at Shirley Basin Project and whether the Company's recent financing provides adequate funds to maintain operational readiness and support possible acquisitions) and are based on current expectations that, while considered reasonable by management at this time, inherently involve a number of significant business, economic and competitive risks, uncertainties and contingencies. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans," "expects," "does not expect," "is expected," "is likely," "estimates," "intends," "anticipates," "does not anticipate," or "believes," or variations of the foregoing, or statements that certain actions, events or results "may," "could," "might" or "will be taken," "occur," "be achieved" or "have the potential to." All statements, other than statements of historical fact, are considered to be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. Factors that could cause actual results to differ materially from any forward-looking statements include, but are not limited to, capital and other costs varying significantly from estimates; fluctuations in commodity prices; failure to establish estimated resources; the grade and recovery of mineral resources which are mined varying from estimates; production rates, methods and amounts varying from estimates; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; changes to regulatory and legal requirements; inflation; changes in exchange rates; delays in development, and other factors described in the public filings made by the Company at www.sedar.com and www.sec.gov. Readers should not place undue reliance on forward-looking statements. The forward-looking

statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof and Ur-Energy disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management’s beliefs, expectations or opinions that occur in the future.

SOURCE: Ur-Energy Inc.