COLORADO OFFICE
10758 W. CENTENNIAL RD., STE. 200
LITTLETON, CO 80127
TEL: (866) 981-4588
FAX: (720) 981-5643

WYOMING OFFICE
5880 ENTERPRISE DR., STE. 200
CASPER, WY 82609
TEL: (307) 265-2373
FAX: (307) 265-2801

LOST CREEK ISR, LLC

July 23, 2015

Brian Wood
State of Wyoming
Department of Environmental Quality - Land Quality Division
510 Meadowview Drive
Lander, WY 82520

RE: MU-109 Excursion Monthly Report #2
Lost Creek ISR Project PT788

Mr. Wood,

This is the second monthly report on the excursion at monitor well MU-109 for the Lost Creek ISR Project. The following information has been included in accordance with the requirements for monthly reports in the Operations Plan Section 3.6.4.3:

- *Concentrations of UCL Parameters for MU-109 and Vicinity*

The recent data provided on **Table 1** below includes MU-109 and wells in the vicinity including:
  - M-109 (monitor ring well to the south)
  - M-110 (monitor ring well to the southwest), and
  - MO-108 and KPW-1 (Monitor cluster to the north)

The analytical data for the vicinity wells are very stable and reveal no increasing trends.

TABLE 1: UCL Data

Client Sample ID	Collection Date	Alkalinity (mg/L)			Chloride (mg/L)			Sp. Cond. (µS/cm)		
		Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff
M-109	4/7/2015	112	186	-40	6.1	21	-70	580	1012	-43
M-109	4/21/2015	116	186	-38	6.0	21	-71	606	1012	-40
M-109	5/5/2015	119	186	-36	5.7	21	-72	602	1012	-41
M-109	5/20/2015	120	186	-36	5.8	21	-72	595	1012	-41
M-109	6/3/2015	121	186	-35	6.1	21	-70	592	1012	-42
M-109	6/23/2015	129	186	-30	6.2	21	-70	589	1012	-42
M-109	7/8/2015	111	186	-41	6.1	21	-70	553	1012	-45

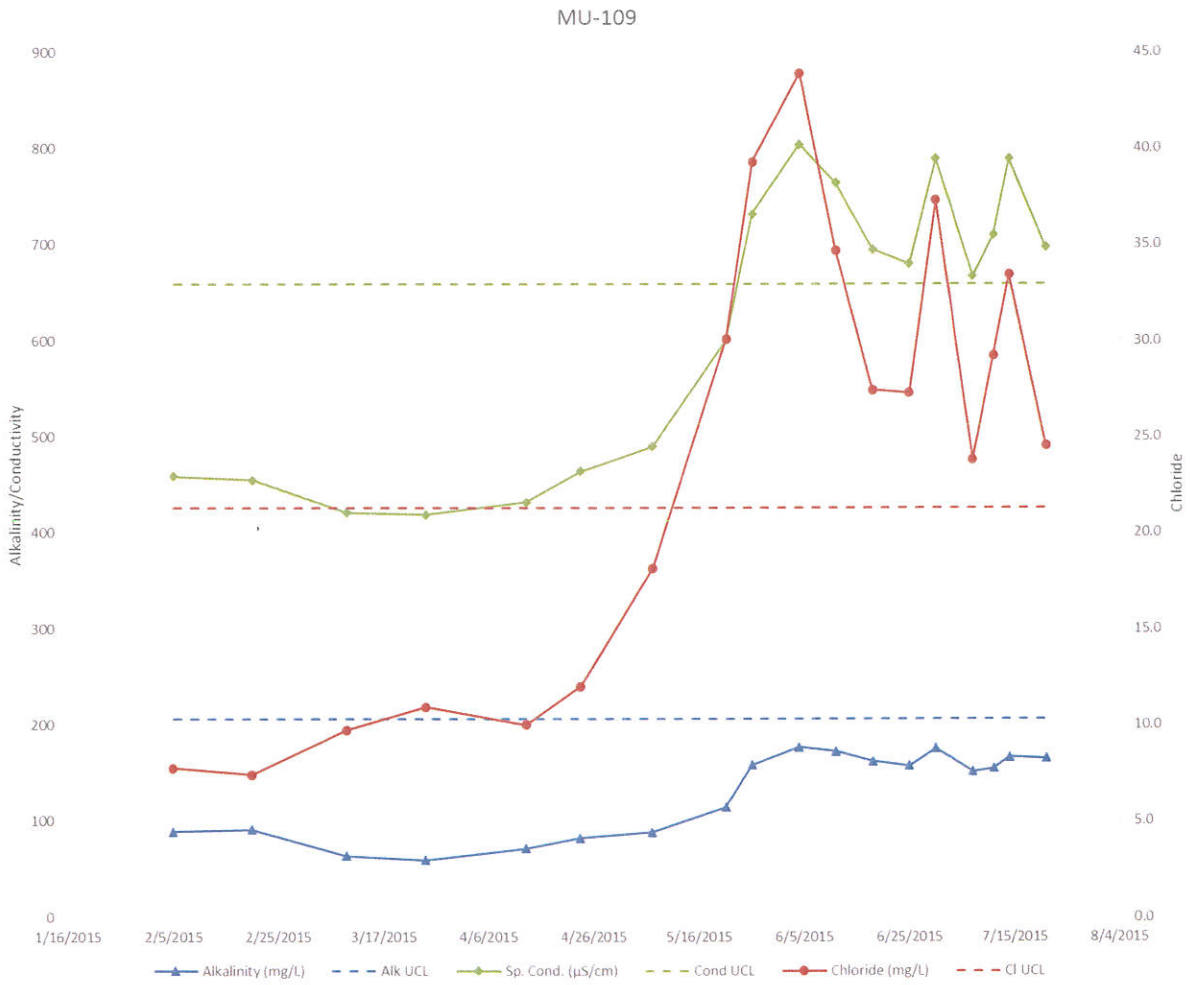
Client Sample ID	Collection Date	Alkalinity (mg/L)			Chloride (mg/L)			Sp. Cond. (µS/cm)		
		Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff	Assay	WDEQ UCL	% Diff
M-110	4/7/2015	110	186	-41	6.3	21	-69	528	1012	-48
M-110	4/22/2015	107	186	-43	6.0	21	-71	529	1012	-48
M-110	5/5/2015	107	186	-42	6.1	21	-70	525	1012	-48
M-110	5/20/2015	115	186	-38	5.6	21	-73	510	1012	-50
M-110	6/4/2015	114	186	-39	5.1	21	-75	523	1012	-48
M-110	6/23/2015	121	186	-35	7.2	21	-65	570	1012	-44
M-110	7/8/2015	109	186	-41	6.9	21	-66	547	1012	-46
MO-108	4/13/2015	105	182	-42	7.0	21	-67	503	922	-45
MO-108	4/23/2015	100	182	-45	6.0	21	-72	501	922	-46
MO-108	5/7/2015	102	182	-44	6.2	21	-71	491	922	-47
MO-108	5/21/2015	102	182	-44	7.3	21	-66	494	922	-46
MO-108	6/5/2015	109	182	-40	7.3	21	-66	491	922	-47
MO-108	6/18/2015	100	182	-45	6.4	21	-70	485	922	-47
MO-108	7/11/2015	103	182	-44	6.9	21	-68	489	922	-47
KPW-2	4/13/2015	108	206	-48	6.0	21	-72	476	659	-28
KPW-2	4/23/2015	111	206	-46	5.0	21	-77	464	659	-30
KPW-2	5/7/2015	104	206	-50	5.2	21	-76	461	659	-30
KPW-2	5/21/2015	107	206	-48	5.2	21	-75	437	659	-34
KPW-2	6/5/2015	105	206	-49	5.3	21	-75	421	659	-36
KPW-2	6/18/2015	110	206	-47	5.3	21	-75	472	659	-28
KPW-2	7/11/2015	100	206	-51	5.8	21	-73	481	659	-27
MU-109	4/13/2015	71	206	-66	10.0	21	-53	432	659	-34
MU-109	4/23/2015	82	206	-60	12.0	21	-44	464	659	-30
MU-109	5/7/2015	88	206	-57	18.2	21	-15	490	659	-26
MU-109	5/21/2015	114	206	-45	30.1	21	***41***	601	659	-9
MU-109	5/26/2015	158	206	-23	39.3	21	***85***	732	659	*11*
MU-109	6/4/2015	177	206	-14	43.9	21	***106***	804	659	***22***
MU-109	6/11/2015	172	206	-16	34.7	21	***63***	764	659	*16*
MU-109	6/18/2015	162	206	-21	27.5	21	***29***	695	659	*5*
MU-109	6/25/2015	157	206	-24	27.3	21	***28***	680	659	*3*
MU-109	6/30/2015	175	206	-15	37.3	21	***75***	789	659	*20*
MU-109	7/7/2015	151	206	-27	23.8	21	*12*	667	659	*1*
MU-109	7/11/2015	155	206	-25	29.2	21	***37***	710	659	*8*
MU-109	7/14/2015	166	206	-19	33.5	21	***57***	789	659	*20*
MU-109	7/21/2015	165	206	-20	24.5	21	*15*	697	659	*6*

Italics: Percent difference is between 0% and 20%
***Bold Italics**: Percent difference is greater than 20%*

- *Evidence the Excursion is Being Controlled*

As shown in the data chart below (**Figure 1**), the concentrations of UCL parameters are returning to the nominal state, albeit somewhat erratically. The reduction of injection and increase of production is shown to affect the chemistry towards nominalization. The well will remain on excursion status until three consecutive weekly samples do not meet the excursion criteria.

FIGURE 1: MU-109 UCL Data Trends



- *Review of Adequacy of the Bond*

Since the excursion is being controlled, the current, approved bond as provided in the 2014 Annual Report is adequate.

- *Corrective Actions Taken*

All injection south of the fault in the area of MU-109 is currently ceased. The injection had been adjusted as follows:

- 5/26/2015 – In response to the elevated chloride/conductivity values (prior to verification of excursion), injector 1I141A was shut off. Flow rates for injectors 1I327 and 1I142A were reduced.
- 6/5/2015 – Injectors 1I327 and 1I142A were shut off.
- 6/29/2015 – Injectors 1I326, 1I140 and 1I143 were shut off.

Sampling of MU-109 has occurred on a weekly basis and will continue until the excursion has been fully corrected. The samples have been submitted for Guideline 8 parameters since June 30th and will continue to be submitted and analyzed for LQD Guideline 8 parameters on a weekly basis until the excursion is resolved. Results of the Guideline 8 analysis are not yet available.

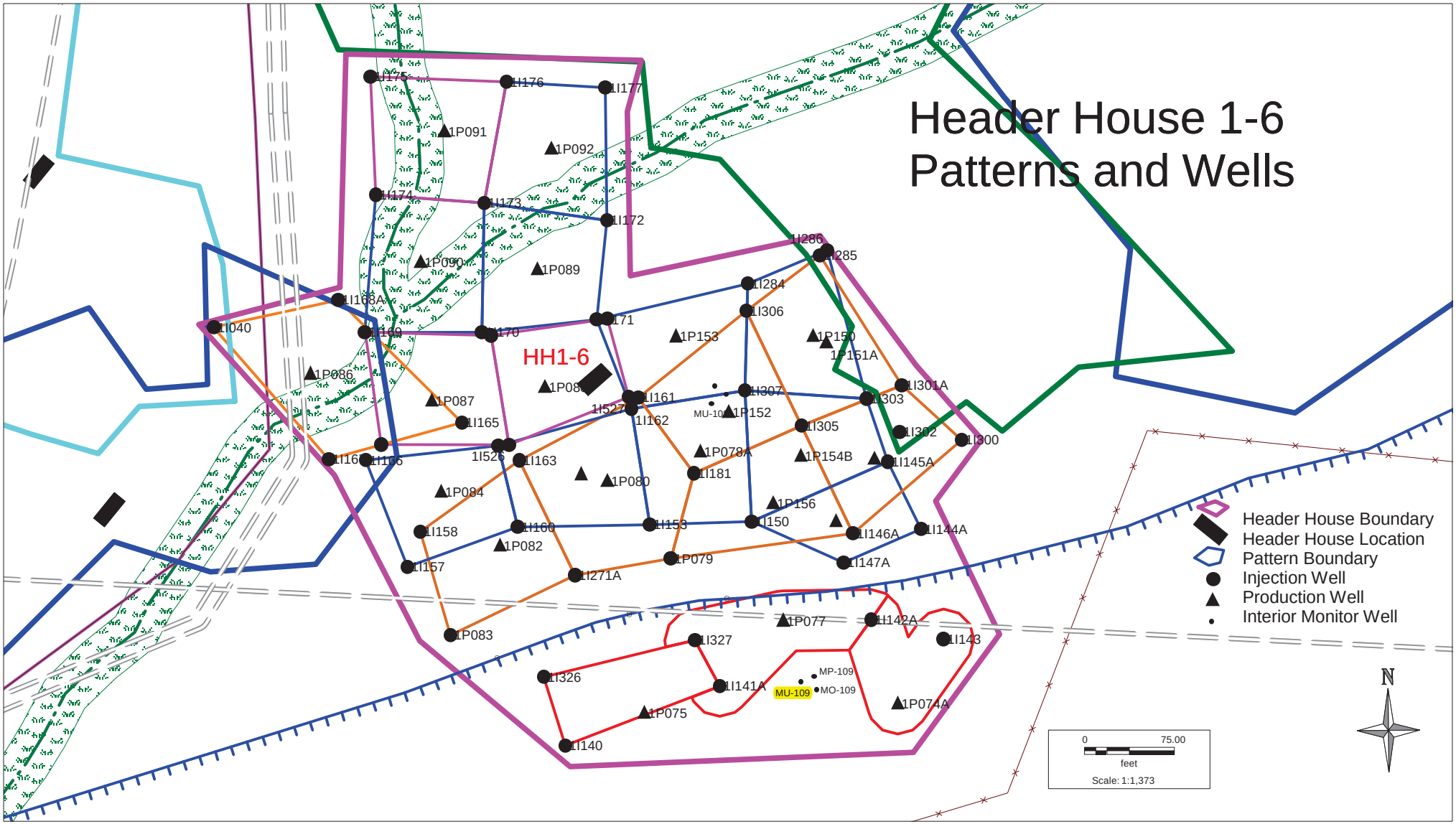
Please contact me at the Casper office if you have any questions regarding this submittal.

Regards,

Michael D. Gaither
Manager EHS and Regulatory Affairs
Ur-Energy USA, Inc.

Attachments: Map as stated

Cc: John Saxton, NRC Project Manager (via email)
Theresa Horne, Ur-Energy Littleton Office (via email)


Header House 1-6
Patterns and Wells
HH1-6
1I175
1I176
1I177
1P091
1P092
1I174
1I173
1I172
1I286
1I285
1P090
1P089
1I284
1I168A
1I306
1I040
1I169
1I170
1I171
1P153
1P150
1P151A
1P086
1P088
1I301A
1P087
1I527
1I161
1I307
1I303
1I165
1I162
MU-109
1P152
1I305
1I302
1I300
1I166
1I167
1I526
1I163
1P078A
1P154B
1I145A
1P080
1I181
1P084
1P156
1I158
1I160
1I153
1I150
1I146A
1I144A
1P082
1P079
1I157
1I271A
1I147A
1P083
1P077
1I142A
1I143
1I327
1I326
1I141A
MP-109
MU-109
MO-109
1P075
1P074A
1I140
Header House Boundary
Header House Location
Pattern Boundary
Injection Well
Production Well
Interior Monitor Well
N
0
75.00
feet
Scale: 1:1,373