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Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119, Gjoa Haven, NU X0B 1J0 December 8, 2010

RE: Cancellation of 2BE-BUG0712 Water Licence

Dear Ms. Beaulieu,

Ur-Energy Inc. will no longer require a water licence to operate a camp or perform further drilling on its Bugs Property located within NTS map sheet 65K03, Nunavut. We believe we have performed all work required to determine the mineral potential and will not be carrying out additional field work.

Attached is an "Application for Water Licence Cancellation" Form and the required fee of \$30.00 (thirty dollars).

Thank you for your attention.

Yours sincerely

Paul Pitman

VP Exploration, Canada

Ur-Energy Inc.