



Cameco Corporation

2017 Annual Meeting of Shareholders

Date: May 11, 2017

Time: 10:30 AM EST / 8:30 AM CST

Presenter: **Neil McMillan**
Board Chair

Sean Quinn
Senior Vice-President, Chief Legal Officer and Corporate Secretary

Tim Gitzel
President and Chief Executive Officer



FORWARD-LOOKING INFORMATION CAUTION

Statements made during this presentation and statements made during the question-and-answer period may include forward-looking information which is based on a number of assumptions, and that actual results could differ materially. Please refer to our [Annual Information Form](#) and our [MD&A](#) for more information about the factors that could cause these different results and the assumptions that we have made.



2017 Annual Meeting of Shareholders

May 11, 2017

NEIL McMILLAN:

Ladies and gentlemen, if I can have your attention, we'll start our meeting. Thank you all for coming. My name's Neil McMillan. I'm Chair of Cameco's Board of Directors, and it's my pleasure to welcome you here and welcome those joining us on the webcast.



With me at the front of the room are Sean Quinn, our Senior Vice-President and Corporate Secretary,



and Cameco's President and CEO, Tim Gitzel. You'll hear from Tim in a few minutes.

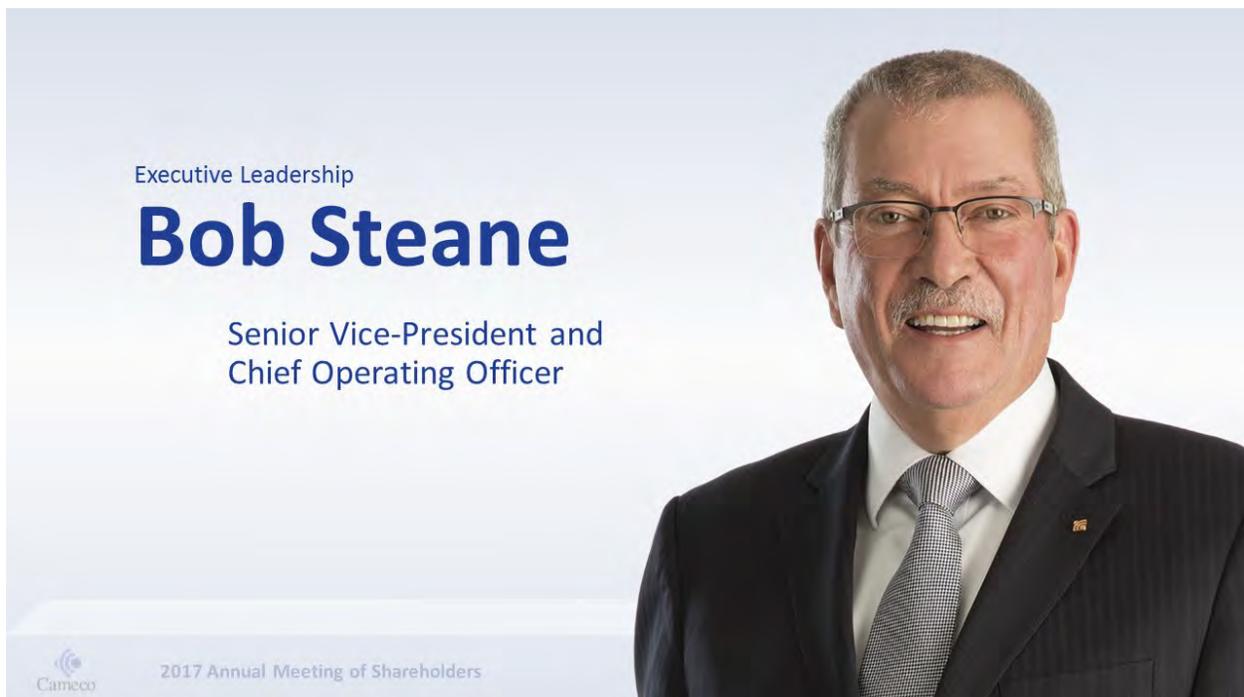




The rest of the Senior Management Team is here, as well, and I'd like to take a moment to introduce them. Firstly, our Senior Vice-President and Chief Financial Officer, Grant Isaac,



Senior Vice-President and Chief Operating Officer, Bob Steane,





and Senior Vice-President and Chief Corporate Officer, Alice Wong.

Executive Leadership

Alice Wong

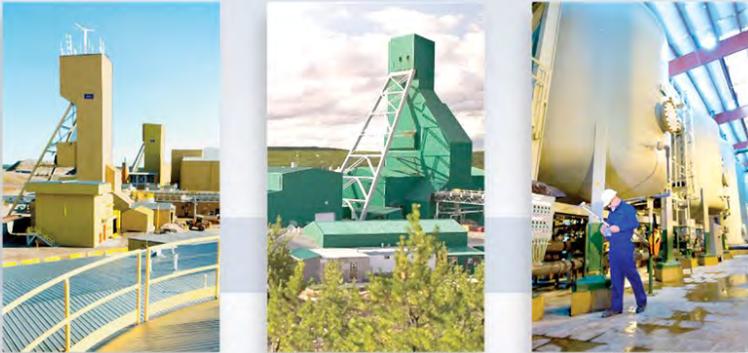
Senior Vice-President and
Chief Corporate Officer



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Your Board is also here and I'll introduce them to you shortly.


Cameco
Energizing the World



Chair's Remarks



In line with our focus on efficiency and providing value, we focused our Annual Meeting on the formal business matters in front of us, similar to last year's meeting. Providing value to our shareholders is always the top priority in our boardroom and especially so over the past number of years. As you know, we've had to cope with a very, very difficult market for our products. Corporate strategy and risk oversight are also key discussion topics at every set of board meetings. Each regular meeting starts with a session on the market and corporate strategy. It puts strategy at the forefront of the discussions that follow.

The board as a whole oversees strategic risks and the committees of the board have time dedicated at each regular meeting to review the top tier financial and environmental risks. I continue to be very impressed with our corporate executives, especially under these difficult circumstances, and in addition, all of the teams of the company.

Management continues to find ways to keep the company competitive, while still maintaining our focus on safety and environmental performance. Many difficult measures have been implemented by the company over the course of the last year. These measures strengthened our core business and better positioned Cameco to benefit from the increasing demand that we anticipate will take place over the long-term. Tim Gitzel will speak more to this during his remarks, following the formal portion of the meeting.

We have 11 Directors to elect to the Board today and a variety of other business to attend to, so let's begin the formal part of the meeting. I'll act as Chair of this meeting and Sean Quinn will act as Secretary. Also present at the meeting today are Todd Buchanan, Scott Verity, Brittany Walter, and Lisa Dunville of KPMG, our auditors.

I've appointed Nazim Nathoo and Kristine Calesso of CST Trust Company as scrutineers for this meeting, and the Secretary, Sean Quinn, has advised that we have a quorum for the meeting.

The Secretary also has an affidavit attesting to the mailing of the Notice of Meeting, and unless someone otherwise wishes, I would propose that we take the Notice of Meeting as having been read and it's therefore duly called.



I now declare the Annual Meeting to be regularly convened and properly constituted and before proceeding further, I would ask the Secretary to make a few comments about procedures to be followed at the meeting.

SEAN QUINN:

Thank you, Mr. Chair.

A graphic banner with a light blue background. On the left is the Cameco logo with the tagline "Energizing the World". To the right are three square images: the first shows a yellow industrial structure with a blue sky; the second shows a green industrial structure with a white sky; the third shows a worker in a blue uniform and white hard hat in an industrial setting.

Voting Procedures

Only registered holders of common shares who are here in person or duly appointed proxyholders may vote. Only those persons, along with our Directors and auditors, are entitled to fully participate in the meeting. Any other persons present today are here with the consent of the meeting to observe the proceedings only.

To make the best use of our time, the Chair will read the motions and certain proxyholders have been asked to move and second the proposals, which are called for in the Notice of Meeting.

When you signed in with the scrutineers today, you would have been advised whether your shares had already been voted. If your shares have not already been voted for any votes conducted by ballot, the scrutineers would have presented you with a ballot to sign and return to them. If you handed the ballot in at that time, your vote has been taken and your participation



for ballot votes is complete. If you kept the ballot, please make sure you sign it and hand it to the scrutineers when it is called for.

Except for the advisory vote on executive compensation, we will otherwise proceed to conduct all votes at this meeting by a show of hands unless a ballot is demanded for any particular motion.

About 88% of the votes received to-date support the advisory vote on executive compensation; however, because more than 5% of the votes entitled to be cast on that motion are not in favour, we are required to conduct that vote by ballot.

We have also set aside time for a question period after Tim Gitzel's remarks. All inquiries of a general nature will be dealt with at that time. Only registered shareholders, beneficial shareholders and proxyholders are entitled to ask questions.

I also note that statements made during this presentation and statements made during the question-and-answer period may include forward-looking information which is based on a number of assumptions, and that actual results could differ materially. Please refer to our Annual Information Form and our MD&A for more information about the factors that could cause these different results and the assumptions that we have made.

NEIL MCMILLAN:

Thank you, Sean.



Meeting Business

The following is a motion dispensing with the reading of the Minutes of last year's Shareholders' Meeting and it will read, "I move that the Minutes of the Meeting of Shareholders held on May 11, 2016 be taken as read and approved." Is there someone to move that motion, please?

KAYLEE WEBSTER:

I am Kaylee Webster, a proxyholder. I so move.

NEIL McMILLAN:

Thank you. A seconder?

NANCY HYLAND-PELLETIER:

I am Nancy Hyland-Pelletier, a proxyholder, and I second the motion.

NEIL McMILLAN:

All right, thank you very much. The motion is made. All in favour, please signify in the usual manner by raising your hand. Contrary, if any?

That motion is carried.



The first item of business on the agenda for the formal meeting is to receive the Corporation's 2016 consolidated financial statements and the Auditor's Report. The financial statements and the Auditor's Report have been distributed by mail to requesting shareholders and are also available on Cameco's website. Additional copies are available in the atrium if anyone would like one. Questions concerning the financial statements will be entertained in the general question period.

The next item of business is the election of Directors. Eleven are available and I'd like to ask the Secretary to introduce the nominees for election.

SEAN QUINN:

Thank you, Mr. Chair. It gives me great pleasure to introduce the Director nominees. The nominees are:



Ian Bruce. Mr. Bruce is a Chartered Professional Accountant who resides in Calgary. He is the former CEO of Peters & Company Limited, an independent investment dealer.

Director nominee

Daniel Camus

Cameco board director since 2011
Independent



Geneva, Switzerland



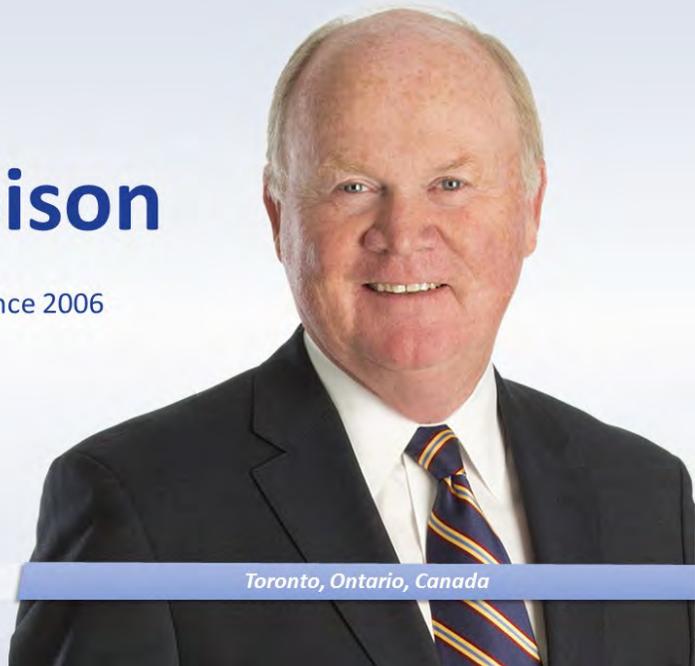
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Daniel Camus. Mr. Camus is the recently retired CFO of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and he currently resides in Paris, France. Mr. Camus holds a PhD in Economics and an MBA in Finance and Economics. He is the former Group CFO and Head of Strategy and International Activities of Electricité de France.

Director nominee

John Clappison

Cameco board director since 2006
Independent



Toronto, Ontario, Canada



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John Clappison. Mr. Clappison is a Corporate Director residing in Toronto. He is the former Managing Partner of the Toronto office of PriceWaterhouseCoopers.

A professional headshot of Donald Deranger, an older man with grey hair and glasses, wearing a dark suit, white shirt, and patterned tie. He is looking directly at the camera against a light blue background.

Director nominee

Donald Deranger

Cameco board director since 2009
Not independent

Prince Albert, Saskatchewan, Canada

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Donald Deranger. Mr. Deranger is an advisor to the Athabasca Basin Development Corporation, a non-executive chair of the Points Athabasca Contracting Limited Partnership, and is a leader in the Saskatchewan Aboriginal community. He resides in Prince Albert, Saskatchewan.

Director nominee

Catherine Gignac

Cameco board director since 2014
Independent



Mississauga, Ontario, Canada



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Catherine Gignac. Ms. Gignac is a geologist by training and is the former Principal of Catherine Gignac & Associates, which provided consulting services to junior mining companies, including capital markets advice for marketing, financing and corporate restructuring. Ms. Gignac is a corporate director who resides in Mississauga, Ontario.

Director nominee

Tim Gitzel

President and CEO

Cameco board director since 2011
Not independent



Saskatoon, Saskatchewan, Canada



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Tim Gitzel. Mr. Gitzel has been Cameco's President and CEO since 2011. He is a lawyer by training and has over 20 years of senior management experience in Canadian and international uranium activities. Mr. Gitzel resides in Saskatoon.

A professional headshot of Jim Gowans, a middle-aged man with glasses, wearing a dark suit, white shirt, and a red patterned tie. He is smiling slightly and looking towards the camera.

Director nominee

Jim Gowans

Cameco board director since 2009
Independent

Vancouver, British Columbia, Canada

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Jim Gowans. Mr. Gowans is the President and CEO and a director of Arizona Mining. He is a professional engineer with operating experience in gold, diamond and nickel mining. He lives in Vancouver, British Columbia.

Director nominee

Kate Jackson

Cameco board director since 2017
Independent



Sewickley, Pennsylvania, USA



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Kathryn Jackson. Ms. Jackson is a corporate director, residing in Sewickley, Pennsylvania. She brings extensive senior management experience in highly technical industries, including nuclear power generation, and has worked on both the utility and supply sides of the industry. Ms. Jackson holds a PhD in engineering and public policy.

Director nominee

Don Kayne

Cameco board director since 2016
Independent



Vancouver, British Columbia, Canada



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Don Kayne. Mr. Kayne is the President and CEO of Canfor Corporation. He has many years of experience as a business executive in Canada's resource industries. He resides in Vancouver, British Columbia.



Director nominee

Anne McLellan

Cameco board director since 2006
Independent

Edmonton, Alberta, Canada

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A professional headshot of Anne McLellan, a woman with short blonde hair and glasses, wearing a dark blazer over a patterned top and a necklace. The background is a light blue gradient. Text overlays provide her name, title, and location. A blue banner at the bottom of the photo contains the text "Edmonton, Alberta, Canada". In the bottom left corner of the overall graphic, there is a small Cameco logo and the text "2017 Annual Meeting of Shareholders".

Anne McLellan. The Honourable Anne McLellan is senior advisor with the national law firm of Bennett Jones LLP. Ms. McLellan is a former Deputy Prime Minister of Canada. She resides in Edmonton, Alberta.



Director nominee

Neil McMillan

Chair of the board

Cameco board director since 2002
Independent

Saskatoon, Saskatchewan, Canada

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Neil McMillan. Mr. McMillan is our Board Chair and the former President and CEO of Claude Resources Inc., a gold mining company, and a former board member of Atomic Energy Canada. He resides in Saskatoon.

NEIL MCMILLAN:

Thank you, Sean.



Meeting Business

Following is the motion to nominate the candidates listed in the Management Proxy Circular. It states, "I move that the proposed nominees as listed in the Management Proxy Circular accompanying the Notice of Meeting be nominated as Directors of the Corporation to hold office until the next Annual Meeting of Shareholders, or until their successors are elected or appointed, subject to the provisions of the Canada Business Corporations Act." They are: Ian Bruce, Daniel Camus, John Clappison, Donald Deranger, Catherine Gignac, Tim Gitzel, Jim Gowans, Kathryn Jackson, Don Kayne, Anne McLellan, and Neil McMillan.

Would someone move that, please?

KAYLEE WEBSTER:

I am Kaylee Webster, a proxyholder. I so move.

NEIL MCMILLAN:

Thank you. A seconder, please?

LORIE GORMAN:

I'm Lorie Gorman, a proxyholder. I second the motion.



NEIL McMILLAN:

All right, thank you. As no other nominations have been received by Cameco, in accordance with our bylaws, the Directors are elected by acclamation. I'll take this opportunity to congratulate each of my fellow Board members and say how pleased we are that you will continue to provide Cameco with your sound judgment and advice. I can assure you as Chairman, there is no better Board of Directors in any company in Canada than we have elected here today.

The next item of business is the appointment of auditors and that motion will read, "I move that KPMG LLP be appointed as auditors of the Corporation until the next Annual Meeting of Shareholders, or until a successor is appointed." Would someone move that, please?

CORY KOS:

I am Cory Kos, a proxyholder, and I so move.

NEIL McMILLAN:

Thank you. A seconder?

LAURIE THOMAS:

I am Laurie Thomas, a proxyholder. I second the motion.

NEIL McMILLAN:

Thank you very much. You've all heard that motion. All in favour, please signify by raising your hand. Contrary, if any?

That motion is carried.

The next item of business is to pass, on an advisory basis, a resolution that shareholders accept the Corporation's approach to executive compensation. The motion reads, "I move, on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors for executive compensation, the shareholders accept the approach to executive compensation disclosed in Cameco's Management Proxy Circular delivered in advance of the 2017 Annual Meeting of Shareholders." A mover, please?



LORIE GORMAN:

I'm Lorie Gorman, a proxyholder. I so move.

NEIL McMILLAN:

Thank you. Secunder?

NANCY HYLAND-PELLETIER:

I am Nancy Hyland-Pelletier, a proxyholder. I second the motion.

NEIL McMILLAN:

Thank you, Nancy.

You've all heard that motion. The vote on the resolution will be held by ballot, and Mr. Quinn will give you instructions on the use of the ballot.

SEAN QUINN:

Thank you, Mr. Chair.

The scrutineers have provided those entitled to vote with ballot forms when they entered the meeting. Those shareholders who have already voted by proxy need not complete a ballot since their proxy vote will be voted by their proxyholder. However, if for another reason you have not received a ballot and believe you are entitled to vote, please raise your hand and the scrutineer will provide you with a ballot form.

Once you have finished voting, please raise your hand with the completed ballot form and the scrutineers will collect your ballot. I ask everyone who's received a ballot to return it to the scrutineers at this time.

The scrutineers will compile the final votes and we will continue with the meeting while that is done. I advise that the scrutineers' preliminary report shows that 88% of all votes cast prior to the meeting start—commencement—voted for the advisory resolution, and only 12% had voted



against the advisory resolution. The scrutineers will submit the final report to me following the meeting, and it will be available for review if anybody wishes to see it.

NEIL MCMILLAN:

Thank you very much, Sean. Is there any further business to come before the meeting? I should say we should just double-check to see if anybody—no one needs a ballot. Thank you very much, Nazim. Is there any further business to come before the meeting, before we move to the informal part of the meeting?

There being no further business, then may I have a motion terminating the meeting?

LAURIE THOMAS:

I'm Laurie Thomas, a proxyholder. I move that the meeting now terminate.

NEIL MCMILLAN:

Thank you. Is there a seconder?

CORY KOS:

I'm Cory Kos, a proxyholder, and I second the motion.

NEIL MCMILLAN:

Thank you. All in favour, please raise your hand. Opposed, if any?

Thank you. That motion is carried. That concludes the formal portion of the meeting.

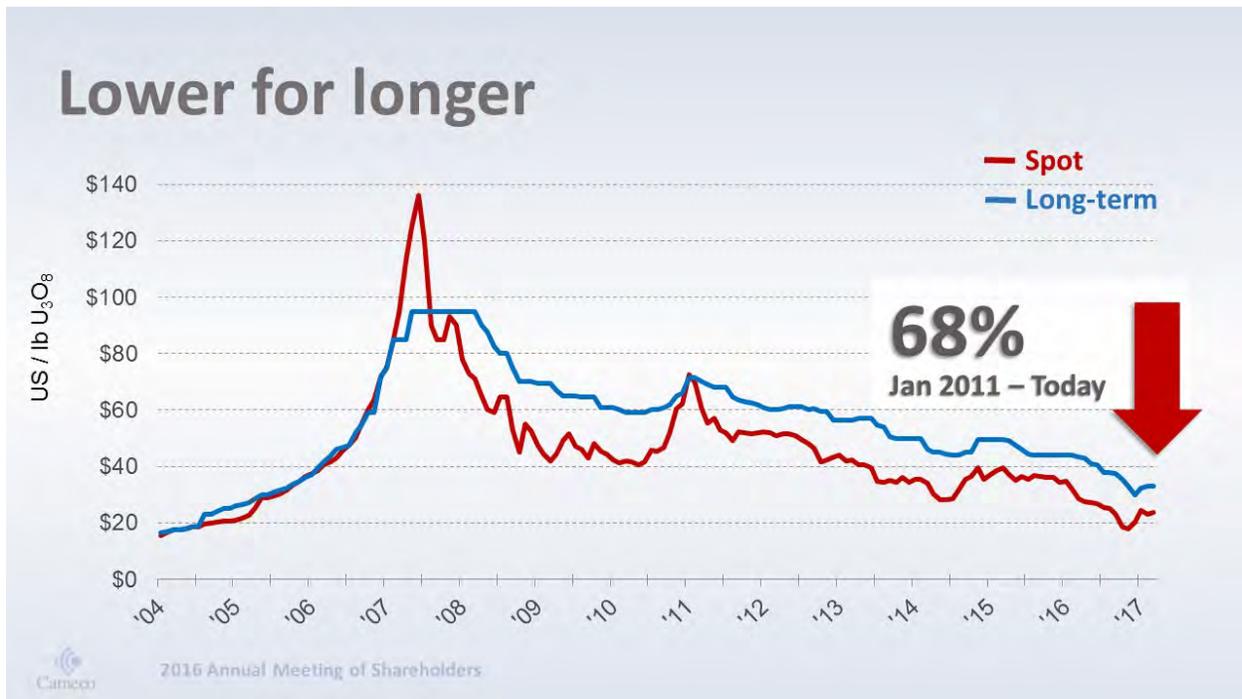
I'd now like to call upon Tim Gitzel, our President and CEO, to provide his remarks.



CEO's Remarks

TIM GITZEL:

Perfect. Thank you very much, Neil. Good morning everybody. Welcome. Let me start by thanking everybody here in person and on the webcast, for joining us today, and let me thank you as well for your continued support of Cameco. I can assure you, as I say every year, it's appreciated, and we never take it for granted, ever, especially during these more difficult challenging times that our industry has been going through over the last few years.



You know, it's been just over six years now that the uranium market has been depressed, low prices, very little long-term contracting, and certainly more supply than the industry needs. I can tell you that we and many others had anticipated that things would get better a lot sooner than they have, and they haven't. So that's the market we've had to live in and we're going to have to until we see a recovery in uranium prices. In fact, it was just last November that we saw the uranium spot price hit a 12-year low of under \$18 a pound, which is clearly unsustainable. That's down more than 70% from where it was just before—the day before the Fukushima accident, where we saw prices in the US\$73 range. Today, the spot price is about \$22.50; this morning I checked, it's up only marginally from its historic lows.

Obviously, given this situation, given these prices, our Company had to take action, and we have. We have taken action.



In fact, over the past several years, we've, I think responded to these tough conditions with resolve, addressing both the need to exercise supply discipline, and to significantly reduce our costs. In April of 2016, as you'll know, we suspended production at Rabbit Lake, not an easy thing to do, a long-running operation that's been producing since the 1970's. Same time as that, same day, we curtailed our production at our U.S. operations in Wyoming and Nebraska and we pulled back our production at McArthur/Key by 2 million pounds per year. Continued this January, we announced some significant changes at our other Saskatchewan operations, including a 10% workforce reduction, changes to air commuter, and work schedules. Again, all in an effort to significantly reduce our production costs. We've also taken a bite out of our G&A costs over the past several years, working hard on that.

The result of all of this then is that we've pulled back our cash production costs to 2011 levels. We've reduced our CapEx by about 50%, we've reduced our exploration costs by about 50%, and we've reduced our total corporate and operational workforce by about 20%. I can tell you these are not easy decisions. We don't take any of them lightly, we're always mindful of the effects on our employees and our other stakeholders. But we, as an Officer Team, have a responsibility to ensure the long-term health of our business, and I can assure you we will do that.

You know, even in this challenging environment, there has been some good news.



In 2016, during the year, we delivered 31.5 million pounds of uranium, at an average realized price of \$54.46 a pound. That's about 60% higher than the average uranium spot price for 2016. Uranium production for the year was about 5% higher than expected, with all of our sites meeting or even exceeding our expectations. Again, special note that Cigar Lake where the ramp-up after many years of trials and tribulations has been remarkably smooth, given the complex mining method and the really tough geological conditions that exist there.

Overall, our unit costs of production has declined significantly, a trend that we believe and know is going to continue as our efforts to reduce cost and improve efficiency continues.

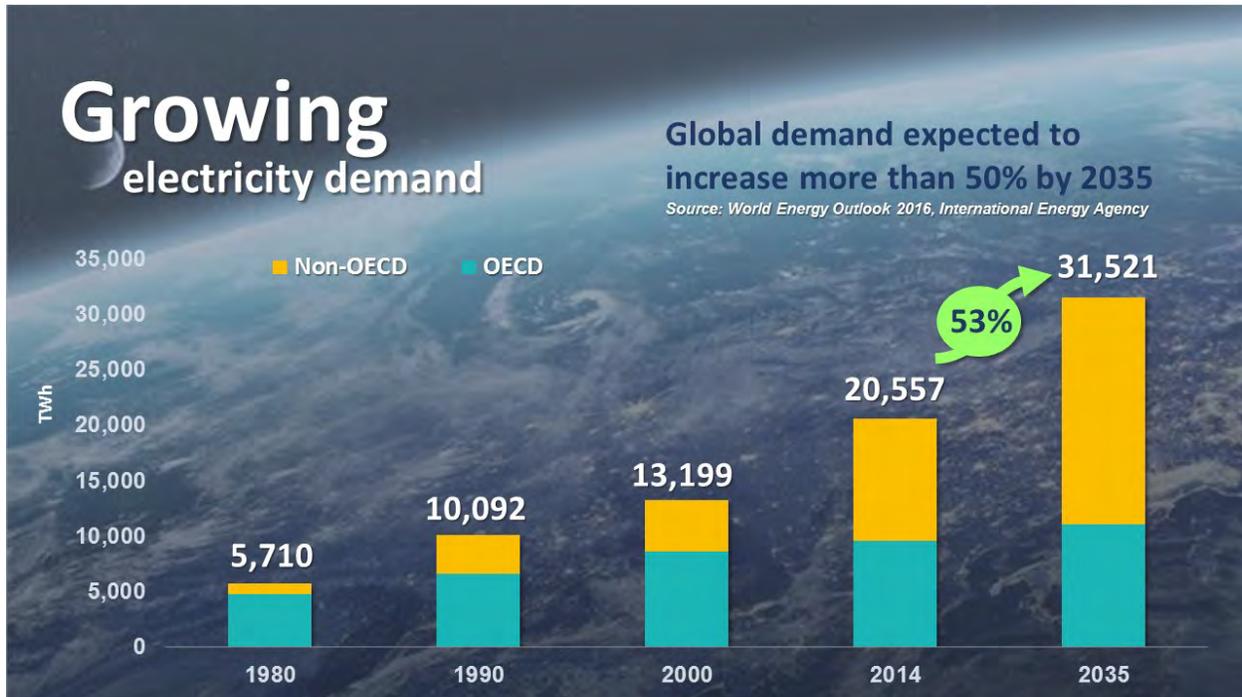
A balancing act

supply and demand discipline



You've heard me say before, our outlook for the remainder of 2017 and beyond is—the words we use are cautiously optimistic. Optimistic, because we see that persistent low prices are beginning to drive some supply discipline, and that eventually will strengthen uranium prices. We're cautious because at the \$22.50 price we see today for a pound of uranium, we're far below, far below a true incentive price for any kind of sustainable production. We're certainly miles away from requiring any kind of new Greenfield projects to come online.

So it's tough; it's tough, there's a long way to go, but yet, we remain positive, we remain optimistic.



What gets us up in the morning, every morning, is that we know that we live in a world driven by a substantial and continued increase in energy demand. By 2035, we know that world energy demand is going to increase by 50%; that means we have to keep every source of energy operating today that we have and add 50% more.

Future growth

2 billion people **without** electricity today

9 billion projected population by 2050



The world needs reliable baseload electricity from **low-carbon** sources

We also live in a world facing significant societal challenges, challenges like economic uncertainty, political turmoil, and we live in a world with a population of seven billion people today, of which about two billion have no access to electricity. We know there's another two billion people coming on the planet by 2050. These people, in most areas of the world, have a real and growing need for baseload electricity, electricity which is really critical to improve human standards of living.

When countries look at their options for this electricity, nuclear electricity looks pretty attractive in many countries. It's an option that can provide the power they need, not only reliably, but safely and affordably and in a way that does not add to the air pollution that plagues so many of these developing countries. That's why we see countries like China and India and South Korea and Russia and the United Arab Emirates adding nuclear power to their grids.



Wouldn't be right if I didn't say a word about China, who continues to lead the growth; today, China has 36 reactors in operation, 20 more under construction, and many dozens more planned by 2025. Five of the 10 reactors that started up in 2016 were in China. The plan in China, and they're sticking to it, is to have 58 reactors operating by 2020, with another 30 under construction at that time. So the growth of nuclear energy in China is real and rapid and shows no signs of abating.

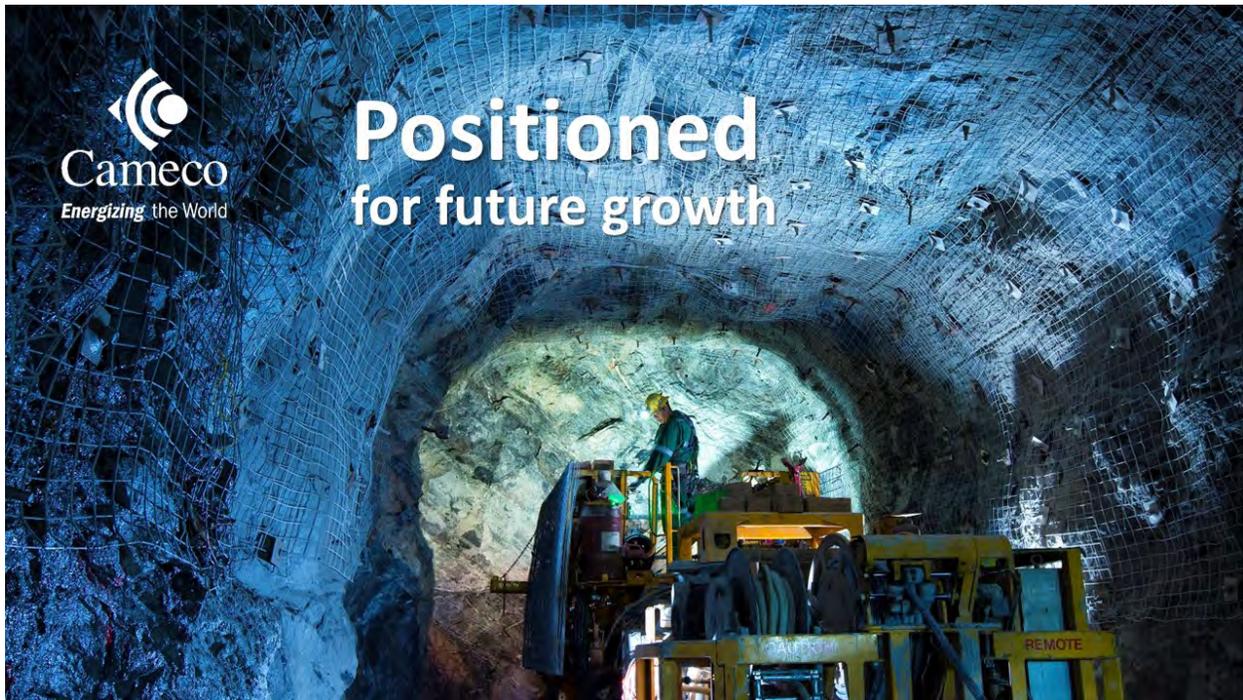


But China's not the only country driving growth; India is also pursuing an aggressive new build program, and India's a good customer of ours, like China. Today, India has 22 reactors operating, five reactors under construction, and many more in the planning stages. For good reason, they're going to need them. According to the United Nations, India has the fastest growing population in the world, and will overtake China as the most populous country by 2030. Of the 1.2 billion people who live in India today, some 400 million have no access to electricity. But that's only part of the story.



You may have also heard that India's notoriously poor air quality—and if you've been there, you know what I'm talking about. India's notoriously poor air quality causes nearly 1.1 million premature deaths every year. That number struck me in particular because that's the exact same number as the province of Saskatchewan, the population of this province that we live in Saskatchewan which means that the equivalent of the entire population of Saskatchewan dies prematurely from air pollution every single year in India. The numbers in China are the same. Those are sobering numbers, numbers which I think underscore the importance of our role in bringing not only any energy, but clean air energy to a world that increasingly needs what we can provide and we're doing that.

Last year, 10 reactors came online, 57 more under construction today; we haven't seen that kind of growth for many, many years, maybe decades. Of course, we can't forget about the 450 operating reactors today that are running around the world, providing safe, clean, reliable electricity to many countries. These reactors need fuel. Forecasts show about 800 million pounds of uncovered utility requirements over the next decade, and we know that some of that demand is coming to Cameco, so we're positioning the Company to be ready for that.



Our strategy is focused on our Tier 1, low-cost assets that provide us with the most value. Two of these assets happen to be the largest high-grade uranium operations in the world, McArthur River/Key Lake and Cigar Lake. Those are Tier 1 assets that produce some of the lowest cost pounds in the world. Along with our Inkai operation in Kazakhstan, they're really at the heart of our Tier 1 strategy which is to focus on the operations and activities that return the greatest value to our shareholders. They help us remain competitive when the market's low and they help us benefit when the market improves.



- **an industry leader**
- **operate safely, responsibly and profitably**
- **strong community contributor**

So today, we remain on track with our strategy, and we continue to return strong results. Today, we continue to be a leader in our industry, a Company that operates safely, responsibly, and profitably and a strong contributor to the communities in which we live and operate. I'm happy to say we have the Leadership in place to help us do that, both in terms of our Board and our Executive Team. We're very, very fortunate at Cameco to have a Board that provides really an excellent example of leadership and governance, and I want to take this opportunity this morning to recognize all of you, everyone here this morning, and thank you for the support and guidance that you provide.

We're also especially blessed to have an exceptionally talented Officer Team, who I have the good fortune to work with every day; they never cease to amaze me with their skill, their work ethic, and their dedication. To each of them who are today, I want to express my deepest gratitude for their hard work and for their commitment to Cameco.

On a special note today, today marks the final Annual Meeting that our Chief Operating Officer, Bob Steane, will be attending as an Officer of Cameco. After 34 years of dedicated service to the Company, Bob has decided to turn his full attention to improving his golf game and of course, to his retirement, as well. If there ever was a person that exemplified Cameco's values, it's Bob Steane; integrity, hard work, loyalty, professionalism, I could go on. Bob exemplifies all



of these, and has also been a great friend to all of us. Thank you, Bob, we wish you the best in your retirement.

I'm also pleased to announce today that Brian Reilly—Brian Reilly is here today. Brian Reilly will be promoted to the position of Senior Vice-President and Chief Operating Officer, effective July 1. Brian's recently returned to Canada after six years in the role of President and CEO of Cameco Australia. I can tell you I've known and worked with Brian for over 20 years on projects in Canada, France, Australia, Kazakhstan, and I know that he will do very well in his new position. So Brian, we wish you the best, and we look forward to working with you in your new position.



Questions?

I'll close here by once again thanking all of you for joining us today. If there's any questions, live or on the webcast, I'd be happy to answer them. Sean, I will turn it back over to you.

SEAN QUINN:

We will now entertain questions from the floor. If you have a question, please wait to be recognized and a microphone will be brought to you. Then I would ask that you please state your name, and whether you are here in your capacity as a shareholder or proxyholder before asking your question.



So are there any questions?

Sure, if I could have a microphone taken over there, please, Lorie. Thank you.

DON MCEWEN

Don McEwen, a shareholder. I appreciated your very good overview of the general situation with Cameco. I have a question pertaining to Rabbit Lake. You mentioned it's no longer operating, but could you comment on its status and future?

TIM GITZEL:

Thank you very much, Don, for the question. So we took the decision, April, one year ago, April 26, I remember it only too well. I went up there and we called all of the people into the gymnasium—there's probably 300 people. We announced that we had to close it down due to market conditions. It took us—obviously, we comply and go above all of the laws and regulations around that so we kept all of our employees on for, I think, Alice, four, five, six months.

I think we finally closed down, stopped in September. It's on care and maintenance right now, Don. We're holding it there. It's a tough decision with a project like that. You have several options; you can keep running, if you think the market's going to get better. It was higher cost production, higher than the market. You could keep running if you think the market's going to get better and do that until it does get better. You can go on care and maintenance like we did, but that's not cost free. We have costs somewhere in the \$35 million to \$40 million a year to do that so we think about that every day.

Or if you think the market's never coming back, or the mine doesn't have enough reserves to justify keeping it going, you can move into a decommissioning program, which would probably take you two or three years to get licensing for, and then it would be a significant cost to decommission. So none of the options are easy. We're in the care and maintenance mode for now because we think it's a very strategic asset for us.

I can tell you anybody that thinks they're coming into this province to get licensing, to get Aboriginal support, to get infrastructure, to get approval to build a new mine, they're in for a bit of a surprise. It's not easy so if you have one with all of that and a workforce—we still have



about 120 people there I think, but I think we could ramp it up—our people would come back. It's a very strategic asset so you deal with it very delicately and so that's where we are today. It's one year in care and maintenance. We're continuing to watch the market, and we think there's better things ahead. But we think it's a valuable asset for us.

Thank you.

RON BEREZOWSKI:

Ron Berezowski; McArthur River. Hi, Tim.

TIM GITZEL:

Hi, Ron.

RON BEREZOWSKI:

Hi, a couple of questions. If somebody else wants to do in between, that's fine here, but I've got a couple questions here. Is there a road that's going to be built between McArthur River and Cigar? Has it started or is it under a watchful eye, or what's going on with that?

TIM GITZEL:

Yes, Ron, we'd love to have that road. It's been talked about; pre-Fukushima, I would say, when the market was up \$73 uranium, that road looked really promising. We'd done some, a little bit of feasibility work on it, because it would then make the loop, connect all our sites, and we think there's some real rationalization we could do; stocks, we could have one central warehouse. You could move ore around then. If you had low-grade ore, you could take it up to Rabbit or the other way. So today, it's not even thinking about it. Given where the market is, it's not insignificant, not an insignificant expense. Rabbit isn't running, and so right now, it's just on the back burner until the market comes around.

RON BEREZOWSKI:

Okay, because there's a rumour going around that that road is going to be started here within the next month, so I'm just forewarning you, so.



TIM GITZEL:

Well, did Sean that rumour? Must have been started by one of the road builders.

RON BEREZOWSKI:

Yes, I don't know.

TIM GITZEL:

It wasn't me.

RON BEREZOWSKI:

We're just wondering if that road was going to be built...

TIM GITZEL:

No, not even close.

RON BEREZOWSKI:

What effect is it going to have on Key Lake? That's where the rumour started, at Key Lake there, so we're just wondering, the guys at Key Lake are wondering what would happen if that road was built, what would happen to Key Lake?

TIM GITZEL:

No, we've got McArthur/Key Lake working together really nice. There's no plan for that road today, I can tell you, I dream of the day when we need it because that'll tell me that the market's gone back the right way. But today, nothing, zero.

RON BEREZOWSKI:

Anybody else have any questions or can I keep going?

TIM GITZEL:

Carry on.



RON BEREZOWSKI:

Okay. We had a bonus payout to all the staff up in the Northern part there. It was cut back quite substantially just because of the market, which we understand.

TIM GITZEL:

Yes.

RON BEREZOWSKI:

What happened to the Executives' bonus also, because I'm hearing that their bonus never changed compared to our bonus which usually the top guys, who lead by example, and cut their bonuses.

TIM GITZEL:

Yes, so all of us, Ron, across the Company, operate off of the Corporate Objectives. We have Corporate Objectives that are set by the Company, for the Company, approved by the Board every year. Last year was a tough year, and on the financial metrics, we got zero so that paid bonuses of 50% and that 50% was applied across the board.

RON BEREZOWSKI:

Okay, thank you. Why, if our uranium was going down and stuff like that, why was there such an urgency to get Cigar Lake onboard quickly because it depends on supply and demand?

TIM GITZEL:

Yes, that's a great question. We get asked that, Grant and I when we're on the road, why are you bringing on production like that when there's enough—it's really a Cameco-specific thing. The problem is we have a Cameco-specific thing, the Chinese have a Chinese-specific thing; you see how that place is running now, we'll be at 18 million pounds, nameplate capacity, design capacity this year.

First, we'd hoped to have it on several years before. We wanted to replace our HEU feeds, 7 million pounds a year. We were hoping, the plan was, when that ran out at the end of 2013, we would be up and running with Cigar Lake, replace that 7 or 8 million pounds with production. That didn't happen; we had to keep working on Cigar. We bought some inventory to cover for



that; now it's up and running, it's very low-cost. Our cash operating costs there are somewhere in the \$15 range and so that allowed us to look at some of our higher-cost operations, United States, Rabbit Lake, and say, you know what, for the best interests of the company, we're better to run that.

We have sales of 30 million to 32 million pounds this year; we have to fill those with something so we decided that we'll produce from McArthur, we'll produce from Cigar, and we'll produce from Kazakhstan. That gives us about 25 million pounds. We sell 30 million to 32 million, so we need all of that production to fill, plus a little bit more which we'd either have to buy or take from inventory. So that's why we wanted Cigar Lake to go and I know if you just look at it by itself, you'd say why are you adding to the production of the world? It was an internal matter that we produced or we replaced quite high-cost production with lower-cost production.

RON BEREZOWSKI:

Okay and saying that, why could not—we got our licensing fee or poundage increased to 25 million pounds, so how come we couldn't produce more at McArthur River in order to have less produced at Cigar while it was being brought into service?

TIM GITZEL:

Yes. We did bump it up; we were up at 20 million pounds, and we were still working on some of the circuits to move it up. We took a decision last year, in April, that somebody has to take leadership on this supply discipline piece. The only ones that had done it was Paladin at Kayelekera in 2014, pulled about 3 million pounds off. After that, nobody; so we said, you know what, we're going to, like we often do, provide some leadership. So we took 7 million pounds off, including 2 million pounds at McArthur River.

So that didn't make any big shock in the market, then the Kazak's in January, January 8, pulled off 5% so another 5.5 million pounds; now AREVA's pulled a little bit. So that's why we did it, we're—I can tell you, I promise you, we look at that every day. That's what we do every day, make those decisions; how much to produce, how much not to produce, where it should come from and there's a lot of people in Cameco that work on that every day.



RON BEREZOWSKI:

Okay, so what is our actual poundage that we do? You said we need roughly 32 million pounds a year to...

TIM GITZEL:

Yes, yes.

RON BEREZOWSKI:

...to sell. What are we producing as a Cameco entity, or what is in Cameco's stock?

TIM GITZEL:

Twenty-five point eight.

RON BEREZOWSKI:

Okay. So even the abundance that we had bought when the market—when we tried to...

TIM GITZEL:

So we're using some of that, obviously, to fill, to make the difference, yes.

RON BEREZOWSKI:

Okay, fair enough. Thank you.

TIM GITZEL:

Yes, you're welcome. Thanks for the questions. Very good. Ron, I said to you, if you have more questions, I'd be happy to meet with you personally.

RON BEREZOWSKI:

Yeah, thanks (inaudible).

TIM GITZEL:

Yes, any time. Thank you for that; that takes some courage. Thanks.

Any other questions from the floor? Any webcast questions?



SEAN QUINN:

Nothing's come in.

A promotional banner for Cameco. On the left is the Cameco logo with the tagline "Energizing the World". In the center are three square images: a yellow industrial building, a green industrial building, and a worker in blue overalls. On the right, there is contact information for investor requests, including an email address, a physical address in Saskatoon, Saskatchewan, and the company website.


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TIM GITZEL:

Okay. So no further questions. Let me just once again say thank you to all of you for your support of Cameco. We're looking forward to better times. Thank you very much.