Operator:
Welcome to the Cameco Corporation Third Quarter 2023 Conference Call.

As a reminder, all participants are in listen-only mode and the conference is being recorded.

After the presentation, there'll be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star, and zero. Webcast participants are asked to wait until the Q&A session is started before submitting their questions as the information they are looking for may be provided during the presentation.

I would now like to turn the conference over to Rachelle Girard, Vice-President, Investor Relations. Please go ahead.

Rachelle Girard:
Thank you, Operator, and good morning, everyone. Welcome to Cameco's third quarter conference call.
With a very busy international travel schedule this quarter, our quarterly Board meetings were held offsite rather than at our corporate office in Saskatoon. With us today on the call are Tim Gitzel, President and CEO, joining the call from Vienna, Austria, Grant Isaac, Executive VP and CFO, Heidi Shokey, Senior VP and Deputy CFO, Brian Reilly, Senior VP and Chief Operating Officer, Sean Quinn, Senior VP, Chief Legal Officer and Corporate Secretary, and Alice Wong, Senior VP and Chief Corporate Officer.

I'm going to hand it over to Tim in just a moment to discuss the current nuclear market environment, how today's market compares to previous cycles, and how it provides the basis for Cameco's improving prospects. After, we will open it up for your questions. As always, our goal is to be open and transparent with our communications. Therefore, if you have detailed questions about our quarterly financial results, or should your questions not be addressed on this call, we'll be happy to follow-up with you after the call.

There are a few ways to contact us. You can reach out to the contacts provided in our news release; you can submit a question through the Contact tab on our website; or you can use the Ask a Question form at the bottom of the webcast screen, and we'll be happy to follow-up after this call.

If you joined the conference call through our website Event page, there are slides available, which will be displayed during the call. In addition, for your reference, our quarterly investor handout is available for download in a PDF file on our website at cameco.com. Today's conference call is open to all members of the investment community, including the media.

During the Q&A session, please limit yourself to two questions and then return to the queue.
Please note that this conference call will include forward-looking information, which is based on a number of assumptions, and actual results could differ materially. You should not place undue reliance on forward-looking statements. Actual results may differ materially from these forward-looking statements, and we do not undertake any obligation to update any forward-looking statements we make today, except as required by law. Please refer to our most recent Annual Information Form and MD&A for more information about the factors that could cause these different results and the assumptions we have made.

With that, I will turn it over to Tim.

Tim Gitzel:
Well, thank you, Rachelle, and good morning, everyone. We appreciate you joining us for today’s call.

I'm pleased to start today’s call by announcing an addition to Cameco’s Executive team. Effective November 1, Dominic Kieran will be joining Cameco as Global Managing Director of our subsidiary in the United Kingdom. Dominic brings extensive international executive
experience in the nuclear fuel, chemical, and broader technology industries, which will enhance
the skill set of our strong and experienced Leadership group. His wide-ranging expertise will
help facilitate Cameco's growth across the nuclear value chain. Dominic brings over 20 years of
leadership experience to Cameco. Most recently, he served as Chief Executive Officer with
Babcock Nuclear. Previously, he was with Urenco for 15 years, in increasingly senior leadership
roles, including Chief Commercial Officer, and gained a wealth of experience from his diverse
responsibilities. We look forward to having Dominic join our Cameco team.

As Rachelle mentioned, I'm joining today from Vienna, Austria, where tomorrow I'll be attending
meetings of the IAEA's standing advisory group on nuclear energy. Mr. Rafael Grossi, the
IAEA's Director General, appoints group members from governments, research institutions, and
the nuclear industry to advise the agency on nuclear power and fuel cycle activities, and provide
guidance on matters concerning capacity for long-term energy security. This trip adds to what
has been a very busy fall.
Back in Canada, I met with Ukrainian president Zelenskyy and Prime Minister Trudeau in September, followed by a trip with a Cameco delegation in October to the head office and operations of Energoatom in Kyiv, reinforcing our commitment and support for Ukraine’s energy independence.

We also joined the OECD's inaugural Roadmaps to New Nuclear Conference in Paris, where government and industry leaders met to build leadership and cooperation in nuclear energy. These are all proud moments for us at Cameco that highlight the impact our work is having around the world.

Our invitation to these types of influential meetings highlights our credibility as a Company and our well-respected position in the nuclear fuel market. They provide us with unique insight and the opportunity to be in the room where important policies are discussed in support of the global nuclear industry.

It's an industry that is getting significant attention today, and that's being recognized for the numerous benefits and advantages it can offer to the global energy supply and to energy security. This past quarter, we saw players from all facets of the nuclear sector congregate in London for the World Nuclear Association’s annual symposium where the atmosphere was more optimistic than it's been for over a decade, maybe ever.

With over 40 years in this industry, I feel well-qualified in saying, yes, we've seen enthusiasm in past cycles. However, at the symposium this year, there was a sense of urgency that I can't say we've experienced before.
Each time the market has entered a period of transition, stakeholders look back at previous cycles to highlight similarities and common threads in an attempt to predict the duration and durability of the positive momentum.

If you followed the industry and Cameco through the 2000s, or if you're one of the exceptional few that might've been paying attention even earlier than that, you would've heard us talking about things like potential long-term demand growth, or supply pressure building on the horizon, or the level of financial interest in buying physical uranium. We are, of course, seeing those similarities right now, but with the added element of urgency, I think there is much more to the story this time.

For today's call, rather than our customary approach of highlighting industry developments in the context of Cameco's strategy, I thought we would provide our view of what sets the current industry environment apart from previous cycles, pulling the various factors together into one discussion. In doing so, I want to emphasize how Cameco, as one of the leading suppliers in the industry, is also evolving to maximize value while addressing the urgent call to action.
Let's consider the durability of demand; first, in the context of climate change. Some will argue that the climate crisis isn't new as it's been part of the conversation for decades now. But what's different today is that urgency. It's no longer just a model on paper with academics running computer simulations. Increasing average global temperatures and the fires and floods that are becoming more and more frequent can't be ignored.

The evidence continues to point to our carbon-based energy systems as a key contributor to the problem. This has led to electron accountability and proposals by countries and companies for achieving net-zero targets taking center stage. Today it's clear: achieving those targets does not happen without nuclear power. That itself is a notable difference, but it goes even deeper.
This time, policymakers are not shying away from proposing nuclear as a key part of their energy mix, some even reversing their previously anti-nuclear stance. The WNA sessions in London that I mentioned opened with U.S. member of Congress Chuck Fleischmann, and the U.K. Under Secretary of State and Minister for Nuclear and Networks, Andrew Bowie, on a panel where they discussed today's bipartisan support in government.

That certainly differs from what we've seen in the past, and it forms what might be considered a solid base of support for demand growth using clean, reliable, secure, and well-established nuclear technology. Its growth is starting to move beyond Asia, which has been the key component of the industry growth story since the late 2000s. Asia's nuclear expansion obviously remains very important today, but the broader interest and level of potential growth has expanded and is now much more global.
Beyond that base of demand growth, another emerging difference in today’s demand profile is the potential deployment of new nuclear reactor designs with a number of small modular reactors and small advanced micro reactors in development.

These represent a clean energy source that would be more accessible in terms of output that better matches small or modest local demand. They’re expected to have better cost and schedule control, by way of factory production. And they can also address needs beyond electricity, such as applications for industrial heat, desalinization, or hydrogen production.

Big industrial energy consumers are not waiting for those government decisions and policies I just mentioned, they are moving much more quickly. A number of private companies are taking action and announcing their own plans to support the expansion of clean nuclear energy in the years to come using those promising new technologies.
Another big difference that won't be news to anyone is on the geopolitical front. The tension and uncertainty are increasing daily. Events like Russia’s invasion of Ukraine and a coup in Niger leaves countries re-evaluating their energy security and who they want to rely upon to supply fuels, avoiding dependencies such as Russian gas.

That evaluation of security is being done in the context of their carbon footprint and electron accountability, which leads to a consideration of nuclear to a degree we have not seen for nearly a half century. While countries need secure and dependable energy supply, they also want it to be clean.
Political views and policies generally represent the will of the people, and it's clear that public opinion is changing as well. We're seeing a social shift happening like never before. Nuclear energy is an undeniable part of the social conversation.

There's vocal support from diverse and sometimes unexpected sources, sources like social media influencers, Hollywood personalities, and even long-time nuclear protesters like Bono of U2, who just last month admitted that although he has campaigned against nuclear energy for a long time, his view has flipped to support nuclear amid the climate crisis.
Taken altogether, the overarching differences we're seeing this cycle contribute to that full-cycle demand growth you've heard us talk about. Previous bullish cycles were typically underpinned by demand that was more or less out in the future and in the longer-term segment of the forward demand curve; this time, we are really seeing that durable demand growth across the full cycle.

In the near-term, we have financial interests, buying physical uranium in a way that is much different than in the past. Financial participants are not acting as a marginal buyer and seller, purchasing today and selling tomorrow when the price rises by a few cents. Instead, they are providing better transparency by buying material at the market and with limited redemption capabilities, providing a better sense for the intrinsic value of uranium in the near-term.

Additionally, we have some real end user near and midterm demand. That demand is coming from several fully depreciated, safe, operable reactors. Reactors that were slated for decommissioning due to the economics of broken electricity markets are now being saved for their significant low-carbon and secure energy benefits. And, it's coming from reactor life extensions, again thanks to the security and low-carbon advantages, and recognition that there's no equivalent clean baseload alternative.
In the long-term portion of the cycle, demand growth is coming from more traditional newbuilds, as well as the emergence of the advanced reactors, SMRs and micro reactors, which have the potential to add significant demand in the coming decades. In the WNA’s updated fuel cycle report released in September, demand is looking more robust than ever, averaging growth of 3.6% annually compared to 2.6% in the previous 2021 report, and that only includes a very light and conservative estimate for demand to fuel those SMRs and new nuclear designs.

Geopolitical tensions and energy security concerns are also changing the demand picture. A number of new markets seeking fuel from reliable suppliers and safe jurisdictions have opened up to create full-cycle contracting opportunities, especially in Eastern Europe. Those are some significant differences in the context of demand, but what about supply?

Well, the uranium market has had its share of supply challenges in past cycles, but the difference today is that the supply picture is more uncertain than ever. First and foremost is primary supply. As demand grows and the mines are depleted, there is no Kazakhstan...
equivalent source of supply waiting on the sidelines somewhere to meet that growing demand into the 2030s. Even the existing uranium coming out of Kazakhstan is not going to be splashing around in the market as it has in the past. Kazatomprom has stated that under their value strategy, production now has a home in their long-term contract book. A big, reliable supply source is simply not going to materialize, and the pockets of potential production that could be added to the supply stack carry significant greenfield risk.

With no clear emerging primary supply, we have to look at the sources of secondary supply which have been filling the gap. But the shock absorbers of the past are not what they used to be, either. So far this year, industry-wide, there has been nearly 144 million pounds committed under long-term contracts, which is a level we've not seen in 10 years, indicating the market remains on track to replacement rate contracting. These signposts provide a signal that inventories in all forms have been run down, and there is certainly no Megatons to Megawatts program in the works to ease the pressure.

Also on secondary supply, there's an ongoing shift to replace Russian fuel supply services and create more capacity in the enrichment segment of the fuel cycle, by moving from underfeeding to overfeeding. I won't get into the technical aspects of underfeed, overfeed, but the punch line is that it means less secondary supply going back into the market from enrichers. In fact, similar to the story of rebuilding a depleted inventory beyond run rate requirements, overfeeding has an exaggerated impact on supply tension by not only reducing secondary supply but creating secondary demand.

So, primary and secondary supply of the natural uranium needed at the very start of the fuel cycle is declining. Then there is the matter of actually moving that supply through the cycle. Nobody will say that moving Class 7 nuclear material around the globe has ever been easy, but it's clearly facing new risks and challenges as a result of geopolitics. However, the uranium supply story does not end there. Stakeholders have recognized that much more than natural uranium is needed to build a nuclear fuel bundle.
The services: refining, conversion, enrichment, de-conversion, pelletization, and fuel fabrication are getting more attention than ever, and the degree to which they are interdependent complicates the typical supply/demand analysis of a commodity. Those other segments of the fuel cycle are also facing challenges.

Based on lessons learned, we are seeing a new common theme across producers and services at all stages of the cycle. Suppliers have been clear they are not going to front-run demand with uncommitted supply. If they're going to add back, expand, or build new production or processing capacity, they need contracts and commitments from end users to support their investments. That has not been a central consideration in the past.

As we hold those contracting conversations with customers to lock in long-term value, it's also important to consider today's pricing environment. We've never been this early in the cycle with prices as high as they are today. That's a significant factor that some might be thinking could
hamper the momentum. But, it isn't. That's because of the improving electricity prices rising faster than front-end fuel prices, which has rarely, if ever been the case for us in nuclear. That means customers can better tolerate the realities of sustainable fuel pricing and focus on shoring up inventories to help ensure security of supply.

All those differences in today's nuclear fuel cycle, from both the demand and supply perspective, mean that Cameco, as a diversified nuclear fuel supplier, has more opportunities in front of us than ever.

And compared to the Cameco of previous cycles, we're different as well. This time, we don't have big, capital-intensive greenfield mines under construction. As we see demand come to the market, we have multiple tier-one licensed, permitted, and approved assets we can bring back to capacity and expand. In fact, the Canadian Nuclear Safety Commission just awarded us 20-year license extensions at McArthur River and Key Lake, which is double the term of our previous license. At Rabbit Lake, we received a 15-year license extension.
We believe that our commitment to protecting the health and safety of our people and the public, and to protecting the environment, is reflected in the extended duration of the licenses. As we add contracts to our portfolio for the delivery of uranium in the years to come, we also have several already built and permitted tier-two assets where costs and economics are established and proven. These are all sources of proven and reliable supply from a preferred jurisdiction.

Of course, it doesn't end there. We have what we believe are some of the best advanced exploration projects and most prospective land positions in the business. Today, we are more focused on our core expertise, having divested interests in gold and power generation, and as a pure-play nuclear investment, we are very well-positioned to maximize value. There is improved recognition of the importance and interdependence of the entire fuel cycle beyond uranium as a core commodity. This means that our long-established and reliable Fuel Services division, as well as our investment in Global Laser Enrichment and its next-generation enrichment technology, are being highlighted for their strategic importance.

And I'm not using the word "strategic" in place of "economic." We've been invested across the fuel cycle since inception, and I think those assets are more valuable to us today from a financial perspective than they've ever been. Considering our uranium and fuel cycle assets together from an investment perspective, we offer exciting upside exposure to an in-demand commodity at a time when supplies have never been more uncertain. At the same time, we offer the stability and protection of an impressive long-term contract portfolio representing a stream of earnings and cash flow that provides exposure to rising prices, and our pipeline of contract discussions continues to grow.

With our partner Brookfield, we continue to work toward closing our acquisition of Westinghouse by the end of the year. That transaction is very well-aligned with our pure-play nuclear strategy. With several parts of that business being more stable and less tied to the ups and downs of the commodity, it's expected to complement our high-quality tier-one uranium and Fuel Services assets. Cameco's valuation should therefore reflect a scarcity premium. No other publicly traded uranium company offers similar exposure to that durable, full-cycle demand growth across the fuel cycle that's occurring in the nuclear industry.
I think it’s clear the drivers that supported the positive momentum of cycles in that past are important factors in today’s environment. However, the urgency and the differences impacting demand and supply, and the strategy Cameco has pursued over the past decade, has made us a different Company today than we’ve been in the past. Combined, these factors set up this cycle to be more exciting than ever. The improving market conditions, coupled with our strategic decisions, are also benefiting our financial performance. We’re seeing improvements in our earnings, gross profit, and cash flow, which was evident again this quarter. We expect our financial performance to improve further as we continue our transition back to a tier-one run rate.

Cameco’s strategy of contracting discipline, production discipline, and risk-managed financial discipline is set within the context of the transitioning market environment we’re currently in. With $2.7 billion in cash, $1 billion in total debt and a $1 billion undrawn credit facility, our balance sheet remains strong. We will retain our conservative financial management to support our balanced and disciplined contracting and supply decisions, providing us with the ability to self-manage risks and retain the capacity to pursue value-adding investments like Westinghouse.
Before moving into our Q&A session today, it is with an enormously heavy heart that I acknowledge and remember Ian Bruce, a dear friend, valued colleague, and Cameco's long-time Board Chair who tragically passed away at his cottage in Ontario on October 16th. I've worked with Ian since he joined our Board more than a decade ago, and on behalf of the entire Cameco family, I extend our deepest condolences to Ian's wife, Darlene, and his family and many friends and loved ones.

His business acumen, personal and professional advice, overall leadership, and most importantly friendship, were absolutely invaluable to Cameco and his absence during yesterday's Board discussions was notable. Ian was excited about nuclear energy and the Company's future, and he was extremely proud to be part of the Cameco team. He will be profoundly missed.

Thank you for your interest today and we are happy to take your questions.
Operator:
Thank you. We will now begin the question-and-answer session.

In the interest of time, we ask that you limit your questions to one, with one supplemental. If you have additional questions, you are welcomed to rejoin the queue. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speakerphone, please pick up your handset before pressing any keys. To withdraw from the question queue, please press star, then two. Webcast participants are welcomed to submit questions through the box at the bottom of the webcast frame. The Cameco Investor Relations team will follow up with you by email after the call.

Once again, anyone on the conference call who wishes to ask a question may press star, then one at this time.

Our first question comes from Orest Wowkodaw of Scotiabank. Please go ahead.
Orest Wowkodaw:
Oh, hi, good morning. Grant, I was hoping we could get some colour on what's happening with contracting. Obviously, the uranium price has moved up a lot, even in the last three months. I'm wondering what kind of behaviour you're seeing from your customers, whether the higher price movement is actually engaging them to sign more contracts, or whether you're seeing them pulling back? Alternatively, how's Cameco approaching this behaviour? Are you continuing to pull back in terms of signing contracts, in hopes of better terms with respect to higher floors and ceilings down the road? Just wondering what that engagement looks like right now.

Grant Isaac:
Yes, Orest, great questions. Great place to start. There have been a lot of opportunities to be with customers in the last couple of months, the WNA Symposium that Tim referred to, as well as the recent NEI Conference in Charlotte.

There still is a very pervasive urgency in the market. That urgency is reflected in improving contracting rates. We now are looking at, year-to-date across the industry, about 145 million pounds contracted. That is much higher than it had been in each of the last 10 years, starting to approach that durable replacement rate contracting.

I would say, in general, it is a broad-based demand recovery. It reflects demand from those who might have thought they had been shutting down a reactor early coming to the market, those who are now pursuing life extensions for reactors that might have been retired after their initial license extension, and then of course it's demand for those who are building new. It also has a very important regional focus, and that is the emergence of Central and Eastern European customers into the Western supply piece, which is a demand that is new and is, quite frankly, competitive with the demand that we used to see from Western Europe, from North America, Canada, the U.S., as well as parts of Asia. So it is broadly based.

I would say that there are some utilities that have been more aggressive than others in shoring up their longer-term supply; probably no surprise, those who are on the frontend of rising electricity prices and energy security have moved quicker. I would say that is characteristic of Western European utilities, as well as Central and Eastern European utilities. The good news,
Orest, is that some have yet to come to the market. When Tim refers to the situation where we're in the early innings of a contracting cycle, it is because we know there are pockets of demand, bigger utility customers yet to come.

All of this suggests to us we are absolutely in the right position as Cameco to be strategically positioning our contract portfolio for higher prices, being biased towards market-related long-term contracting that will reference prices at time of delivery out into the future. We have been more selective in ensuring that we're getting that exposure to a rising price environment. We lead the market with respect to the construction of floors and the construction of ceilings; this is, Orest, exactly where we want to be.

Sorry for the long answer, I just wanted to cover it in its full dimensions.

Orest Wowkodaw:
Okay, no, thank you for that.

Just as a follow-up, the Kazakhs announced a pretty aggressive 2025 production target a few weeks ago, going to 80 million pounds from somewhere in the 55 million to 60 million pounds. Should we anticipate—how does Cameco think about that strategy? I mean, you obviously have a lot of curtailed capacity, both in terms of still tier-one expansion potential, but also with respect to your tier-two. What do you need to see to further increase your production plans?

Grant Isaac:
Yes, let me just make a comment on the Kazatomprom announcement, because I think across the industry, certainly on the uranium supply side, not a lot of surprise, I think. Just a general expectation that, as Kazatomprom has pivoted to a strategy that's very similar to Cameco's, which is you build the homes under long-term contract and then you call for more production. They've been successful in building long-term contract homes. I think a lot of people had noted some of the volumes that they had committed to, to go into China, for example. It's pretty clear they need those pounds as part of commitments they've already entered into. That is a very big departure from the Kazatomprom of the past, which had produced a lot of material, held it as
uncommitted primary production, and then was required to sell it through a spot market not capable of absorbing those volumes.

Not a lot of surprise that those announcements were made, and of course, the backdrop for achieving those increased production numbers is performance on the operating side. You see a lot of risks being raised by Kazatomprom with respect to challenges in their supply chain, the types of things—asset supply for example, drilling, availability, the types of things that make achieving those production targets difficult. So, I hope folks weren't surprised by that announcement, or weren't surprised to the negative—because I mean, it's very consistent with the commercial strategy Kazatomprom's been following.

With respect to Cameco, we remain in supply discipline. We have seen these markets before. We believe these are the early innings of a robust contracting cycle. We've never been at this stage of a contracting cycle at these prices; it suggests that we want to be leveraged with our in-ground production, our in-ground inventory, to higher prices. What we need to see is an urgency of supply translate into an urgency of demand, we just need to see more demand in the market. That demand in the market is going to restore true production economic pricing, the type of pricing required to be considering, in a meaningful way, the restart of tier-two production for example, and then after that, of course, real investment in greenfield.

Because we've seen these markets before, we can be strategically patient. We are not in a rush to produce material that doesn't have a home, requiring us to either build an inventory or sell it into the spot market, neither of which have been supportive of value for our owners. We just won't do that.

**Orest Wowkodaw:**
Thanks, Grant.

**Tim Gitzel:**
Thanks for your question, Orest, and sorry, I wasn't ignoring you. We got cut off for a minute, but we're back.
Operator:
Our next question comes from Ralph Profiti of Eight Capital. Please go ahead.

Ralph Profiti:
Thanks, Operator. Good morning, Tim and Grant.

Is there a specific window of time where you can refer us to, with respect to your comments about sort of future demand being more near-term, right? Is this equal across all tenors, or is there a specific window, say within two to three years or three to five years, that may be of particular interest to highlight for us?

Tim Gitzel:
Grant, why don't you carry on with the marketing piece and the market?

Grant Isaac:
Yes. When you think about that near-term demand, we're often referring to those who are running reactors, may have been planning to shut them down early, but then the policy condition changes for them to be saved. If you just think in the recent past, some examples would be the Diablo Canyon units in California, or perhaps the Byron and Dresden units in Illinois.

Ralph Profiti:
Mm-hmm.

Grant Isaac:
Why we call this near-term demand is because the reality for the utility that's been operating those units is not only have they not been procuring run rate material, they've probably been drawing down their inventory that was assigned to those units. When those units are extended, we often see two very distinct types of near-term demand.

The first is those utilities stepping into the market and looking for run rate requirements, now for the next three years, now for the next five years, and they put that demand in the market looking for term material. Then oftentimes you'll see some demand show up in the spot market in the
form of restoring some inventory targets that had been drawn down. Now, that is kind of in the next five-year window, Ralph. That is a really helpful demand with respect to price formation, because what it effectively does, when you see those announcements, is those who might have, say, uncommitted primary production, or an offtake agreement with perhaps a state-owned enterprise that is continuing to produce without a home, those types of folks might step back from selling material in the spot market in anticipation of that demand to show up. So, it tends to be very constructive.

That's a little distinct, I would say, from that medium-term demand that Tim referred to, which is really around life extensions. The U.S. fleet pioneered life extensions, but now with a clean energy and an energy security crisis going on, a lot of jurisdictions are considering running their reactors for a lot longer, and then that starts to extend the tenor of the term contracting. For example, we are now seeing term contracting pushed through the end of this decade and into the early part of the 2030s in a fairly significant way. We often think of that near and the midterm demand quite distinctly.

Ralph Profiti:
Got you. Yes, very helpful. In the production update in September, your team cited equipment reliability issues, availability of skilled labour, and supply chain challenges. Just wondering, are you seeing these as temporary and transitory, and how are you tackling these issues?

Tim Gitzel:
Yes, Ralph, we're working through those issues. When you're down for four or five years like we were at McArthur and Key, nothing's that simple, and we put in a lot of automation and robotics that we have to fine-tune. I think we're coming around now; I've seen some numbers in the last little while and our production is running nicely. We hope to get it just at a steady state.

We're working through those issues that we mentioned, I think it was in early September, the 3rd of September, and at both McArthur, Key, and Cigar. We want to get back to steady state. Our plan is to get back up to 18 million pounds a year at both of those sites next year, and that's what we're going to do.
Ralph Profiti:
Yes, excellent to hear. Thanks, Tim. Thanks, Grant.

Tim Gitzel:
Thanks.

Operator:
Our next question comes from Lawson Winder of Bank of America. Please go ahead.

Lawson Winder:
Yes, thank you, Operator. Good morning, Tim, Grant, and Rachelle as well, nice to hear from you all. Thank you for the update.

I would like to ask about Westinghouse. First of all, I'd just ask if you could confirm that the U.K. is the final remaining competition authority approval that is needed, and maybe if you could please comment on why the process has taken a little longer than expected?

Tim Gitzel:
Yes, it's Tim. I think we've worked our way through about 40 or 40-plus approvals so far. We do have the U.K. left to go. We're still expecting to close the deal by the end of the year. I think everything's on track for that, nothing too new there. We're super excited about closing the deal when that day comes. We think we've got the right partner, the right target, and the right timing, so more to come on that as soon as we get all the approvals in place.

Lawson Winder:
The U.K. definitely is just the last one? Sorry, I just wanted to be totally clear on that.

Tim Gitzel:
Yes, that's correct.

Lawson Winder:
Okay, yes, fantastic. Well, that's exciting.
Tim Gitzel:
Yes.

Lawson Winder:
Then the follow-up on that question would just be, in terms of financing the US$2.2 billion required on closure, the MD&A spoke about a funding mix of cash, debt, and equity. I just wanted to ask whether the equity proportion refers to the equity offering already completed in 2022, or is there some consideration for an additional equity raise on close?

Tim Gitzel:
It was the one we already did, but I'll ask our CFO maybe just to give a little bit of detail of how we're going to end up paying for our acquisition, Grant?

Grant Isaac:
Yes. The good news is, Lawson, it's already in place, the financing. Yes, this is the action that we took last October 11th. The equity that we raised is the only equity we intend to raise for this transaction. We also put in place two syndicated term loans, one of a two-year tenor and one of a three-year tenor, both US$300 million. Those are in place to be drawn at time of closing. Then, of course, we would just work really quickly to pay those down.

This is all occurring while the cash flow, as you see, is building in the uranium segment, as well as the conversion segment, and of course the financial contribution of Westinghouse will be added to it. We're in a terrific position and can absolutely confirm, there is no additional equity required.

Lawson Winder:
That's fantastic. I look forward to that deal closing. Good luck, guys.

Grant Isaac:
So do I.
Tim Gitzel:
Thanks, Lawson. So do we.

Operator:
Our next question comes from Gordon Johnson of GLJ Research. Please go ahead.

Gordon Johnson:
Hey guys. Thanks for taking my question.

Just two questions. First off, can you guys let us know what happens to, I guess, your contracts when you contract it out yet you have capacity issues? With respect to that question, what happens to those guys who have contracted out, some of the other guys out there who have contracted out yet aren't able to produce? Is there a price that potentially could hurt demand if some of these capacities aren't available? Then I have a follow-up. Thank you.

Tim Gitzel:
I'm not sure I understood that question, Gordon. You're asking if there's other producers that can't fill their contracts, what will happen?

Gordon Johnson:
I guess, let me be very specific here. You guys have contracted out your capacity looking forward...

Tim Gitzel:
Yes.

Gordon Johnson:
...but there's some production issues. Is there anything in your contracts that potentially benefit and/or not benefit you guys with respect to your, I guess, contracting capacity, if those production issues persist?
Tim Gitzel:
Well, let me be very clear, we will fill our contracts. We have multiple ways of filling contracts. I think Grant's been pretty clear on that over time. We have production, of course, and we're ramping that up. We have inventories, we have short-term loans. We have other purchases that we've made in the past that we can draw forward. I assure you, we will fill all of our contracts that we've signed, with those different levers we have to pull.

Gordon Johnson:
Okay, and then one last question, if I could. It seems like you guys have plans to buy around 13 million pounds of U3O8 this year, but it seems like so far you've brought five million. Is the plan to buy roughly eight million on the spot market? Could you just give us an update there? Thanks for the questions. Congrats on the results.

Tim Gitzel:
Yes, thanks, Gordon.

It is a mix. We have a mix, we certainly have a mix of purchases we make on an annual basis. Grant, you'll maybe want to break them down between our Inkai and long-term and spot?

Grant Isaac:
Yes, Gordon, those are great questions, and in many ways they're tied together. As you've heard us say over and over again, we don't sell into the spot market. The spot market is not capable of absorbing uncommitted primary production, certainly of the scale that we can produce. Those who have done it in the past, it's always ended in tears for their shareholders. It's not a wise strategy, has not been in the past, it isn't going forward.

What we do is we layer in long-term contract commitments. It is very typical for us, actually, to plan to produce less than we're going to deliver. The reason is, we know how this market works. This market, there's always somebody who's willing to sell into the frontend of the spot market. We always like to have a bit of demand to deploy to pick up that material, because quite frankly,
it is very supportive, of not just our portfolio of sales that are already contracted, but it's very supportive of the negotiations we currently have going on to structure new contracts. We like the fact that with demand in the market, there tends to be stronger pricing to achieve in both our portfolio, as well as our pipeline.

Then we always have the issue of, how do we source these committed sales? Production is an important source of it. We carry an inventory to deal with any production shortfalls, like we have today. We will make purchases in the near-term of the spot market for immediate delivery. We will occasionally buy on the forward curve for delivery out into the future, and we can take delivery of that material sooner if we need it. We have other tools in the toolbox, including, as Tim said, folks have a lot of material parked in our facilities. In some cases we have the ability to borrow it.

All of that to say that we think about these sourcing decisions years in advance. Not just weeks in advance, but years in advance. We will buy material in the market that's exactly where we want to be at this point in the cycle. We are far from sold out from an overall contract portfolio point of view. We've got a lot of pounds that can be contracted out into that window that I talked about, late 20s to early 30s. We obviously want that material contracted at stronger prices, and one way to achieve that is to actually have some demand to deploy in the near-term of the market. This is exactly where we want to be. Nobody should be surprised by it. It is an important part of that full-cycle value capture that we talked about. I think great, great question, Gordon.

**Gordon Johnson:**
Okay. Thanks again, guys.

**Tim Gitzel:**
Thanks, Gordon.
Operator:
Our next question comes from Katie Lachapelle of Canaccord Genuity. Please go ahead.

Katie Lachapelle:
Thanks, Operator. Good morning, Tim and Grant.

Most of my questions have already been addressed, but maybe just one quick one. Your team just returned from the NEI Conference, I'm assuming in Charlotte last week, and now we've got spot prices sustainably above $70 a pound. What was the chatter among the industry participants at the NEI Conference, and how, if at all, have these conversations evolved since WNA as in September?

Tim Gitzel:
Well, Katie, I wasn't there, so the information I got was from one of the weekly publications that comes out. But Grant had a team there, and I know some of his people, and I saw a report go through to Grant. Do you want to give an update on what your marketing people saw, Grant?

Grant Isaac:
Yes. That particular conference, Katie, really is dominated by U.S. utilities. Unlike, say, the WNA Symposium that has a lot more of the global utility base there, that is very much a U.S. utility-focused conference.

The U.S. utilities, I think, as a whole, have been slower to respond to the energy security and the clean energy and the long-term contracting that you would want to start to put in place. I guess no surprise as a consequence, at the NEI conference just recently there was a strong sense of urgency, that there are many utilities who may have left it later than they should have. There's a high expectation of demand to come to the market; this is a market that is experiencing a lot of off-market activity where utilities are trying to quietly find material. They don't want to be putting RFPs in the market and having a bunch of them all in at once, sending a very strong demand signal.
We've seen this before. This is all part of why we think we're in the early stages of a contracting cycle. I would say if there's a takeaway word, it's "urgency." It's urgency of ensuring that the fuel supply is there, and all components of it, not just the uranium, to fuel what is a terrific demand outlook for nuclear power in the United States.

**Katie Lachapelle:**
Thanks, Grant. Appreciate the additional colour.

**Tim Gitzel:**
Thanks, Katie.

**Operator:**
Our next question comes from Brian MacArthur of Raymond James. Please go ahead.

**Brian MacArthur:**
Good morning. I just want to follow up on the mix of sales. For your new guidance, where you've increased your revenue forecast this year, you also talk about two-thirds of Inkai shipments coming this year. Is two-thirds reflected in your forecast this year, or how should we start to think about this, as you mentioned you have a large number of sources?

**Tim Gitzel:**
Grant?

**Grant Isaac:**
Yes. Yes, sorry, Tim. Brian, there's obviously a bit of a lag. Remember that our production out of Inkai, we equity account for. Obviously, when we take delivery of that material this year we will pay for it, and remember, we have the right to buy it from the joint venture at a discount to market. That financial commitment of purchasing it will be booked this year. But then the big
reward, of course, is the dividend that gets paid out from Inkai to its owners, and of course we're one of them, which is the difference between what you can produce for and what the material was sold for to its owners. That will flow in next year.

There is a bit of a timing lag where we'll have dollars out the door to purchase the material, but the dividend will come usually in that April-May window of next year. Just a bit of a timing issue, but make no mistake, the economic value of that really good tier-one asset is always ours.

**Brian MacArthur:**
Yes, no, I get that. But just in your cost of goods sales, do you not have to make some assumption about what you're going to get?

**Grant Isaac:**
Yes, absolutely. In the cost of goods will be the purchase of the material that arrives this year. That'll be reflected in there.

**Brian MacArthur:**
Right, so at the beginning of the year, it would have been 100% and now it's two-thirds. Is that fair, is that the way you do it?

**Heidi Shockey:**
It's Heidi here. I guess, really, Inkai shows in our cost of sales as a spot purchase.

**Brian MacArthur:**
Right.

**Heidi Shokey:**
Whether it's a purchase that we do through our long-term purchase commitments, or through the spot, or it's Inkai, we work into our cost of sales the amount that we need to purchase. Inkai would be reflected as part of the 11 million pounds that we plan to purchase this year.
Brian MacArthur:
Right, this was the 5% discount on that amount when you got it?

Grant Isaac:
Yes.

Heidi Shokey:
Yes, correct.

Brian MacArthur:
Perfect. Thank you very much.

Tim Gitzel:
Thank you, Brian.

Operator:
Our next question comes from Alex MacPherson of allSaskatchewan. Please go ahead.

Alex MacPherson:
Hi everyone, good morning. Thanks for taking my call.

One of the previous callers asked about Northern Saskatchewan, but I was hoping you might be able to provide a bit more colour on the specific challenges you faced in terms of the announcement in September and what steps you're taking and working on to resolve those issues? Thanks very much.

Tim Gitzel:
Yes, thanks, Alex, nice to hear from you.
I think we detailed in previous—when we put out our press release in September, that we were having some short-term issues, regarding, I think at Cigar Lake, we were moving to the core zone. That's never easy, and so we just had to adapt to that. We were having a few issues getting some skilled labour. We're fixing that up, and reliability of equipment was another piece that we had to work on. But that's our business, that's what we do, and those are things we can fix, as I said. I've been watching—obviously, we get updates from Brian every day, every week on how production's going, and I'm happy to say it's going a lot better.

We haven't changed our guidance that we put out from September. Our goal, Alex, as you know, is to get back to a run rate of 18 million pounds per year on a 100% basis at both McArthur, Key, and Cigar, and then we'll see what the future brings. If there is demand for our product that shows up in the form of long-term contracts from good customers, we'll see if we can increase our production.

Alex MacPherson:
Perfect. Thank you very much.

Tim Gitzel:
Thanks, Alex.

Operator:
Our next question comes from Grace Symes of Energy Intelligence. Please go ahead.

Grace Symes:
Good morning. My question is just if there's any update on efforts to build a calciner at JV Inkai?

Tim Gitzel:
I'm going to ask Sean Quinn who looks after our Kazakh interests to answer that one. Sean?
Sean Quinn:
Sure. Yes, the project continues, Grace. It is moving slowly. But we're hoping to get construction completed, I would say in the first half of next year now, with commissioning to follow. It is behind schedule from significant plans, but the project is continuing and it's still viewed as a very important objective for our Inkai joint venture so that we can have a fully calcined product coming out of that operation.

Grace Symes:
Okay. Just to follow up, once that calciner is commissioned, would Cameco plan to transport material directly from Inkai to China to fulfill some of its Chinese contracts?

Sean Quinn:
We might; we're looking to complete the calciner because it'll create that sort of optionality for the production out of JV Inkai.

Grace Symes:
All right. Thank you very much.

Tim Gitzel:
Thanks, Grace.

Operator:
Our next question comes from Richard Hatch of Berenberg. Please go ahead.

Richard Hatch:
Thanks very much. Yes, thanks, Tim and team, and good morning.

Just a question on the purchase commitments; I see in '24 and '25, that's increased up to 117 million pounds from 102 in the previous quarter. I think you kind of answered the question to an extent, I think a bit earlier, but just to kind of add a little bit more meat to the bones, is that just a
function of the fact that you're seeing more interest on those term contracts, particularly over the next couple of years, and therefore you're just covering yourself from a supply standpoint if the mines perhaps can't ramp up as quick as you want them to, or just to give yourself a little bit of extra flexibility because you're seeing more demand over those next couple of years? Thanks.

Grant Isaac:
Yes, I would…

Tim Gitzel:
Grant, do you want to take that?

Grant Isaac:
Yes, sorry, Tim. I would maybe characterize it a little different. We don't sell into the spot market. We don't sell into sort of the trader churn that goes on in that market. But occasionally we'll have a customer that, say we're in a long-term contract discussion with, who wants pounds out in a classic term window, and says, "Oh, but can you find some material in the near-term as well?" Occasionally, for the right customer and the right circumstance, we will do that. As a result, you might see our requirements to purchase material tick up in that near-term window.

But I want to go back to a comment I made to Gordon's question, which is we didn't design this market but we know how it works. When Cameco comes to purchase those who have material to sell, hang on to it. Prices strengthen, and yes, we might make a purchase at a slightly higher price, but then don't forget we have a portfolio that reference market prices, and that improves. More importantly, the long-term contracting that we're actively negotiating is now negotiating higher price measures, so the area under those later two curves is always bigger than the area under the curve of purchasing a bit of material on the frontend.

That's just the way this market behaves. We didn't design it this way, but we always intend to capture full-cycle value with the way it's structured. Don't think about it as spot sales to traders, or spot sales into the churn. They are very much end user sales, but we just might have a customer with a slightly nearer demand.
Richard Hatch:
Okay. Yes, I wasn't inferring it was into the spot market, but actually into—so effectively, that 102 to 117 increase is really to feed your utility customers, just because they're wanting a bit more material in the near-term?

Grant Isaac:
Yes, the right way to think about it.

Richard Hatch:
Cool. Thank you for that.

Tim Gitzel:
Thanks, Richard.

Operator:
Our next question comes from Kip Keen of S&P Global. Please go ahead.

Kip Keen:
Hi guys. Thanks for taking my question, and condolences for your loss of Ian Bruce.

Tim Gitzel:
Thank you.

Kip Keen:
Yes. I wondered if you might talk a little bit about your cash cost expectations. I think they were 47% higher in the quarter over the same period a year ago, 34% for the year-to-date, higher than 2022. Do you think those—will the cash costs moderate in Q4 and into 2024, or are these levels where things will stay? How are you thinking about it?
Tim Gitzel:
Grant?

Grant Isaac:
Yes. I've said a couple of times on the call but maybe I'll just reinforce it, we are still in transition. We've seen these markets before. We are never the company that tries to front-run demand with supply. It always makes sense to let demand strengthen ahead of us making supply decisions. The consequence of that strategy, though, is that we're still in supply discipline, we're still transitioning to those tier-one cost structures, which is great news by the way. It means that the financial performance of the uranium segment is still in front of us as opposed to behind us.

When you're thinking about a longer-term trend, I'd encourage you not to look at any one particular quarter, especially a quarter where we've had an outage, at Cigar Lake for a month, for example. What I'd encourage you to do is turn to our AIF, our Annual Information Form. On an annual basis, we are required to update the life of mine operating costs of our—technical reports of our material properties. What you'll see in our most recent one is that McArthur's at just over $16 CDN per pound, Cigar Lake just over $18 CDN per pound, and Inkai is below $8 CDN per pound.

If you're trying to kind of get a sense of where that longer-term reversion is to, I would stay away from the quarterly numbers, which can be distorted by production outages or maintenance shutdowns, and I would just refer back to that AIF. It's a much better marker for you, Kip.

Kip Keen:
Okay. Yes, thanks a lot.

Tim Gitzel:
Thanks, Kip, for your question.
Operator:
This concludes the question-and-answer session. I would like to turn the conference back over to Tim Gitzel for any closing remarks.

Tim Gitzel:
Well, thank you very much, Operator, and thank you to everybody who joined us today on the call. As always, we appreciate your interest and your support.

There's a number of notable differences in the market's evolution and prospectivity compared to past cycles. I can tell you, at Cameco, we're certainly excited to see the positive momentum that's building for nuclear energy.

One thing that will remain consistent is our vision of energizing a clean-air world, which keeps us focused on delivering long-term value in a market where demand for safe, secure, reliable, and affordable clean nuclear energy is growing. We will continue to do what we said we would do and execute on our strategy in a manner we believe will make our business sustainable over the long-term.

With that, thanks everybody, and thank you for your kind wishes with respect to Mr. Bruce. Please stay safe and healthy. Thank you.

Operator:
This concludes today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.