



Management's discussion and analysis

for the quarter ended September 30, 2023

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This management's discussion and analysis (MD&A) includes information that will help you understand management's perspective of our unaudited condensed consolidated interim financial statements and notes for the quarter ended September 30, 2023 (interim financial statements). The information is based on what we knew as of October 30, 2023, and updates our first quarter, second quarter and annual MD&A included in our 2022 annual report.

As you review this MD&A, we encourage you to read our interim financial statements as well as our audited consolidated financial statements and notes for the year ended December 31, 2022, and annual MD&A. You can find more information about Cameco, including our audited consolidated financial statements and our most recent annual information form, on our website at cameco.com, on SEDAR+ at sedarplus.ca or on EDGAR at sec.gov. You should also read our annual information form before making an investment decision about our securities.

The financial information in this MD&A and in our financial statements and notes are prepared according to International Financial Reporting Standards (IFRS), unless otherwise indicated.

Unless we have specified otherwise, all dollar amounts are in Canadian dollars.

Throughout this document, the terms we, us, our and Cameco mean Cameco Corporation and its subsidiaries unless otherwise indicated.

Caution about forward-looking information

Our MD&A includes statements and information about our expectations for the future. When we discuss our strategy, plans, future financial and operating performance, or other things that have not yet taken place, we are making statements considered to be *forward-looking information* or *forward-looking statements* under Canadian and United States (US) securities laws. We refer to them in this MD&A as *forward-looking information*.

Key things to understand about the forward-looking information in this MD&A:

- It typically includes words and phrases about the future, such as: anticipate, believe, estimate, expect, plan, will, intend, goal, target, forecast, project, strategy and outlook (see examples below).
- It represents our current views and can change significantly.
- It is based on a number of *material assumptions*, including those we have listed starting on page 4, which may prove to be incorrect.
- Actual results and events may be significantly different from what we currently expect, due to the risks associated with our business. We list a number of these *material risks* below. We recommend you also review our most recent annual information form and annual MD&A, which includes a discussion of other *material risks* that could cause actual results to differ significantly from our current expectations.
- Forward-looking information is designed to help you understand management's current views of our near-term and longer-term prospects, and it may not be appropriate for other purposes. We will not necessarily update this information unless we are required to by securities laws.

Examples of forward-looking information in this MD&A

- our expectations regarding 2023 and future uranium supply, demand, contracting, geopolitical issues, and the market including the discussion under the heading *Third quarter market update*
- the discussion under the heading *Our strategy*, including the role of nuclear energy in the world's shift to a low-carbon, climate-resilient economy, our expectation that our strategy will allow us to increase long-term value, our intention to execute our strategy with an emphasis on safety, people and the environment, our belief that we have the right strategy to achieve our vision and will do so in a manner that reflects our values, our ability to address environmental, social and governance risks and opportunities, and our ambition to reach net-zero greenhouse gas emissions
- the discussion under the heading *Strategy in action* including, the demand for nuclear fuel supplies, our expectations regarding uranium contracting and our contract portfolio, our plans for production at McArthur River/Key Lake, Cigar Lake, and the Port Hope UF₆ conversion facility, our expectations regarding production levels at JV Inkai, and our expected financial capacity to execute our strategy and self-manage risk
- the discussion of our expectations relating to our acquisition of a 49% interest in Westinghouse Electric Company (Westinghouse), including the sources and uses of financing for the acquisition, the timeline of the acquisition, including the anticipated closing thereof, and creating a powerful platform for strategic growth
- the discussion of our expectations relating to our Canada Revenue Agency (CRA) transfer pricing dispute, our confidence that the courts would reject any attempt by CRA to utilize the same position and arguments for tax years 2007 through 2014 or the alternate position advanced for tax years 2014 through 2016, and our belief that CRA should return the full amount of cash and security that has been paid or otherwise secured by us
- the discussion under the heading *Outlook for 2023*, including our production plan, expected improvement in financial performance, expected care and maintenance costs for our tier-two assets, our cash balances and the generation of cash flow, our outlook for our uranium average realized price, and other information in the table under the heading *2023 Financial Outlook*, our revenue, adjusted net earnings, and cash flow sensitivity analysis, and our price sensitivity analysis for our uranium segment
- the discussion under the heading *Liquidity and capital resources*, including expected liquidity to meet 2023 obligations and our expectations for our uranium contract portfolio to provide a solid revenue stream
- our expectation that our operating and investment activities for the remainder of 2023 will not be constrained by the financial-related covenants in our unsecured revolving credit facility
- our intention to update the table under the heading *Purchase commitments* to reflect material changes to purchase commitments and prices
- our future plans and expectations for each of our uranium operating properties and fuel services operating sites, including production levels and our expected cash cost of production at McArthur River/Key Lake and Cigar Lake, and our expectation that the renewed licences will allow McArthur River/Key Lake to operate until October 2043
- expected timing for the transit of the first and second shipments of our 2023 share of Inkai's production and the possibility of further delays in expected Inkai deliveries this year
- we have inventory, long-term purchase agreements and loan arrangements in place that we can draw upon to mitigate the risk of delay in Inkai deliveries
- the expected care and maintenance costs for our US ISR Operations and Rabbit Lake for 2023, and our expectation that the renewed licence will allow Rabbit Lake to operate until October 2038, once it has resumed operations
- our 2023 annual dividend payment date and the considerations relevant to future dividends

Material Risks

- actual sales volumes or market prices for any of our products or services are lower than we expect, or cost of sales is higher than we expect, for any reason, including changes in market prices, loss of market share to a competitor, trade restrictions, or geopolitical issues
- we are adversely affected by changes in currency exchange rates, interest rates, royalty rates, tax rates or inflation
- our production costs are higher than planned, or necessary supplies are not available, or not available on commercially reasonable terms
- our strategies may change, be unsuccessful or have unanticipated consequences, or we may not be able to achieve anticipated operational flexibility and efficiency
- changing views of governments regarding the pursuit of carbon reduction strategies or that our view on the role of nuclear power in pursuit of those strategies may prove to be inaccurate
- risks relating to the development and use of new technology or lack of appropriate technology needed to achieve our 30% greenhouse gas (GHG) emissions reduction target or advance our ambition to reach net-zero GHG emissions
- our estimates and forecasts prove to be inaccurate, including production, purchases, deliveries, cash flow, revenue, costs, decommissioning, reclamation expenses, or the receipt of future dividends from JV Inkai
- the Westinghouse acquisition may be delayed or may not be completed on the terms in the acquisition agreement or at all
- consummation of the Westinghouse acquisition is subject to the satisfaction of closing conditions and receipt of required approvals that may not be satisfied on a timely basis or at all
- that we may not realize expected benefits from the Westinghouse acquisition
- we are unable to enforce our legal rights under our agreements, permits or licences
- disruption or delay in the transportation of our products
- we are subject to litigation or arbitration that has an adverse outcome
- that the courts may accept the same, similar or different positions and arguments advanced by CRA to reach decisions that are adverse to us for other tax years
- the possibility of a materially different outcome in disputes with CRA for other tax years
- that CRA does not agree that the court rulings for the years that have been resolved in Cameco's favour should apply to subsequent tax years
- that CRA will not return all or substantially all of the cash and security that has been paid or otherwise secured in a timely manner, or at all
- there are defects in, or challenges to title, to our properties
- our mineral reserve and resource estimates are not reliable, or there are unexpected or challenging geological, hydrological or mining conditions
- we are affected by environmental, safety and regulatory risks, including workforce health and safety or increased regulatory burdens or delays
- necessary permits or approvals from government authorities cannot be obtained or maintained
- we are affected by political risks, including unrest in Kazakhstan, and geopolitical events, including the Russian invasion of Ukraine
- operations are disrupted due to problems with our own or our joint venture partners', suppliers' or customers' facilities, the unavailability of reagents, equipment, operating parts and supplies critical to production, equipment failure, lack of tailings capacity, labour shortages, labour relations issues, strikes or lockouts, fires, underground floods, cave-ins, ground movements, tailings dam failures, transportation disruptions or accidents, aging infrastructure, or other development and operating risks
- we are affected by war, terrorism, cyber-attacks, sabotage, blockades, civil unrest, social or political activism, outbreak of illness (such as a pandemic like COVID-19), accident or a deterioration in political support for, or demand for, nuclear energy
- a major accident at a nuclear power plant
- we are impacted by changes in the regulation or public perception of the safety of nuclear power plants, which adversely affect the construction of new plants, the relicensing of existing plants and the demand for uranium
- government laws, regulations, policies or decisions that adversely affect us, including tax and trade laws and sanctions on nuclear fuel exports and imports
- our uranium suppliers or purchasers fail to fulfil their commitments
- our McArthur River development, mining or production plans are delayed or do not succeed for any reason, including due to labour disruption
- our Key Lake mill production plan is delayed or does not succeed for any reason, including due to labour disruption
- our Cigar Lake development, mining or production plans are delayed or do not succeed for any reason
- we may be unable to operate McArthur River/Key Lake, or Rabbit Lake once it has resumed operations, for the full period of our current licences
- JV Inkai's development, mining or production plans are delayed or do not succeed for any reason or JV Inkai is unable to transport and deliver its production
- our production plan for our Port Hope UF₆ conversion facility is delayed or does not succeed for any reason, including due to the availability of production supplies
- our expectations relating to care and maintenance costs prove to be inaccurate
- we are affected by natural phenomena, such as forest fires, floods and earthquakes as well as shifts in temperature, precipitation, and the impact of more frequent severe weather conditions on our operations as a result of climate change

Material Assumptions

- our expectations regarding sales and purchase volumes and prices for uranium and fuel services, cost of sales, trade restrictions, inflation, and that counterparties to our sales and purchase agreements will honour their commitments
- our expectations for the nuclear industry, including its growth profile, market conditions, geopolitical issues, and the demand for and supply of uranium
- the continuing pursuit of carbon reduction strategies by governments and the role of nuclear in the pursuit of those strategies
- the availability or development of technologies needed to achieve our 30% GHG emissions reduction target or advance our net-zero GHG emission ambition
- the assumptions discussed under the heading *2023 Financial Outlook*
- our expectations regarding spot prices and realized prices for uranium, and other factors discussed under the heading *Price sensitivity analysis: uranium segment*
- the Westinghouse acquisition is closed on the anticipated timeline and on the terms in the acquisition agreement
- market conditions and other factors upon which we based the Westinghouse acquisition and our related forecasts will be as expected
- the success of our plans and strategies relating to the Westinghouse acquisition
- that the construction of new nuclear power plants and the relicensing of existing nuclear power plants will not be adversely affected by changes in regulation or in the public perception of the safety of nuclear power plants
- our ability to continue to supply our products and services in the expected quantities and at the expected times
- our expected production levels for Cigar Lake, McArthur River/Key Lake, JV Inkai and our fuel services operating sites
- plans to transport our products succeed, including the shipment of our share of JV Inkai production to our Blind River refinery
- our ability to mitigate adverse consequences of delays in the shipment of our share of JV Inkai production to our Blind River refinery
- our cost expectations, including production costs, operating costs, and capital costs
- our expectations regarding tax payments, tax rates, royalty rates, currency exchange rates, interest rates and inflation
- in our dispute with CRA that courts will reach consistent decisions for other tax years that are based upon similar positions and arguments
- that CRA will not successfully advance different positions and arguments that may lead to different outcomes for other tax years
- our expectation that we will recover all or substantially all of the amounts paid or secured in respect of the CRA dispute to date
- our decommissioning and reclamation estimates, including the assumptions upon which they are based, are reliable
- our mineral reserve and resource estimates, and the assumptions upon which they are based, are reliable
- our understanding of the geological, hydrological and other conditions at our uranium properties
- our McArthur River and Cigar Lake development, mining and production plans succeed
- our Key Lake mill production plans succeed
- no circumstances arise that will prevent us from operating McArthur River/Key Lake, or Rabbit Lake once it has resumed operations, for the full period of our current licences
- JV Inkai's development, mining and production plans succeed, and that JV Inkai will be able to deliver its production
- the ability of JV Inkai to pay dividends
- our production plan for our Port Hope UF₆ conversion facility succeeds
- that care and maintenance costs will be as expected
- our and our contractors' ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals
- neither our operations, nor those of our joint venture partners, suppliers or customers, are significantly disrupted as a result of political instability, nationalization, terrorism, sabotage, blockades, civil unrest, breakdown, climate change, natural disasters, forest or other fires, outbreak of illness (such as a pandemic like COVID-19), governmental, political or regulatory actions, litigation or arbitration proceedings, cyber-attacks, the unavailability of reagents, equipment, operating parts and supplies critical to production, labour shortages, labour relations issues, strikes or lockouts, health and safety issues, underground floods, increased loadings into the environment, cave-ins, ground movements, tailings dam failure, lack of tailings capacity, improper air emission or treated water releases, transportation disruptions or accidents, aging infrastructure, or other development or operating risk

Third quarter market update

Ongoing geopolitical events, the global focus on the climate crisis, and energy security concerns have created what we believe are transformative tailwinds for the nuclear power industry, from both a demand and supply perspective.

In the third quarter of 2023, uranium prices reached levels not seen since 2011, driven primarily by growing security of supply concerns. Fuel buyers continued contracting to secure their long-term requirements for conversion and enrichment services and have returned their focus to the uranium required to feed into those services, as evidenced by higher prices across the fuel cycle and long-term contracting that continues to be on track to achieve the rate required to replace what is being consumed annually (replacement-rate contracting).

Some of the more significant developments affecting supply in the quarter and to date include:

- On September 3, Cameco provided an update to its 2023 production forecast at McArthur River/Key Lake and Cigar Lake. Total production for 2023 is anticipated to be up to 16.3 million pounds U_3O_8 (100% basis) at Cigar Lake (previously 18 million pounds U_3O_8) and 14 million pounds U_3O_8 (100% basis) at McArthur River/Key Lake (previously 15 million pounds U_3O_8). See *Uranium 2023 Q3 updates* starting on page 27 for more information.
- Sprott Physical Uranium Trust (SPUT) has purchased nearly 3 million pounds U_3O_8 thus far in 2023, bringing total purchases since inception to nearly 44 million pounds U_3O_8 . Volatility in equity markets has impacted whether SPUT is trading at a discount or premium to its net asset value which impacts its ability to raise funds to purchase uranium.
- On September 26, an updated version of the Nuclear Fuel Security Act was reintroduced to the US House of Representatives. This House bill requires the Department of Energy (DOE) to conduct a study on the commercial availability of low-enriched uranium (LEU). If it concludes government spending is needed, DOE would be authorized to offer cost-shares and milestone payments to incentivize LEU production.
- On July 26, a coup d'état occurred in Niger which resulted in a group of military officers removing President Mohamed Bazoum and seizing power. All exports of uranium and gold to France were suspended soon after. On September 8, Orano stated they had halted uranium processing operations at their majority-owned SOMAIR (Arlit) project in Niger due to logistical complications caused by international sanctions.
- In September, Kazatomprom (KAP) stated plans to increase production in 2025 to 100% of subsoil agreements, producing a total of 79.3 million to 81.9 million pounds U_3O_8 , an additional 28 million pounds U_3O_8 compared to 2023 planned production of 55.3 million to 55.9 million pounds U_3O_8 . KAP indicated this production is already committed under long-term contracts and the decision is a result of better market conditions and increased contracting activities. However, KAP warned that geopolitical uncertainty, global supply chain issues and inflationary pressure could create challenges in achieving the planned production increase.
- On August 31, Peninsula Energy Ltd. announced plans to restart production at their Lance in situ recovery (ISR) project in Wyoming in late 2024. They plan to produce roughly 1.1 million pounds U_3O_8 in 2025 with a gradual ramp up to 1.6 million to 1.8 million pounds U_3O_8 annually.
- On September 5, Encore Energy Corp. announced plans to restart production at its South Texas Alta Mesa ISR facility in early 2024, and that production at its Rosita ISR facility remains on schedule to resume in 2023, with production capacity of 1.5 million pounds U_3O_8 and 800,000 pounds U_3O_8 at each site, respectively.
- On October 11, Centrus Energy Corp. announced that it had begun enrichment operations to produce high-assay low-enriched uranium at its American Centrifuge Plant in Piketon, Ohio.
- On October 18, Ur-Energy Inc. announced that the restart and ramp up of its Lost Creek ISR Facility is underway, although challenges with the recruitment and retention of employees and contractors have hampered efficient operations and initial work has therefore been slower than anticipated.
- On October 19, Orano's board of directors announced their approval of a production capacity extension project at Georges Besse 2. The project seeks to increase the production capacities by over 30% at the uranium enrichment plant in southeastern France.

According to the International Atomic Energy Agency, globally, there are currently 437 operable reactors and 58 reactors under construction. Demand-related developments continue to indicate growing support for the nuclear industry, including nations reaffirming their commitment to existing nuclear and/or reversing policies to phase out nuclear, non-nuclear countries emerging as candidates for new nuclear capacity, improvements in global sustainable financing policies to include nuclear energy, and opinion polls showing growing public support. With a number of reactor construction projects approved and many more planned, demand for uranium fuel continues to improve.

The more significant developments in the quarter affecting current and future demand include:

- In September, the World Nuclear Association released its Global Nuclear Fuel Report which provides scenarios for demand and supply availability across the fuel supply chain through 2040. This included a robust demand outlook showing global nuclear generating capacity increasing to 686 GWe in the Reference Scenario by 2040, an average annual growth rate of 3.6%, compared to 2.6% in the 2021 report. This improvement was driven by improved government support, life extensions, new builds and importantly, the expectation that starting in the 2030s, the deployment of small modular reactors (SMR) will contribute to capacity growth. Additional key themes include assumed reductions to secondary feed supply and availability of mobile inventories, along with a growing volume of future uranium supply at higher incentive pricing than today needed to balance the market after 2030.
- On September 26, Westinghouse signed a contract with Liaoning Nuclear Power Co. Limited and China Nuclear Power Engineering Co. Limited to supply instrument and control systems for two future AP1000 units at Xudapu.
- On September 20, Korea Hydro & Nuclear Power announced it successfully completed fuel loading at Shin Hanul unit 2, a new APR-1400 pressurized water reactor.
- On August 28, Kansai Electric Power Co. announced that unit 1 of the Takahama nuclear power plant successfully cleared its final pre-operational safety inspection to restart and formally entered commercial operation.
- Tokyo Electric Power Company (TEPCO) announced on August 22 that Japan's government approved plans and issued its final decision allowing TEPCO to begin discharging treated water into the Pacific Ocean from storage at the Fukushima-Daiichi nuclear power plant in Fukushima Prefecture, Japan.
- At the end of August, India's first indigenously developed nuclear power plant, Kakrapar Unit 3, began operating at full capacity.
- On August 30, Egypt's regulatory authority approved final plans for a fourth 1,200 MWe reactor at El Dabaa Nuclear Power Plant.
- Sweden's plan to expand nuclear power was highlighted during International Atomic Energy Agency Director General Grossi's visit in August. The new government aims to expand the role of nuclear power in Sweden over the coming two decades, implementing legal changes aimed at paving the way for such an energy transformation.
- In Poland, Polskie Elektrownie Jądrowe, announced in August its intention to go carbon neutral by 2040, ten years earlier than previously planned. Additionally in September, Westinghouse and Bechtel announced they signed a formal partnership agreement for the design and construction of a nuclear power plant at the Lubiatowo-Kopalino site, with the first of three units expected to begin commercial operation in 2033.
- In Slovakia, Électricité de France (EDF) and JAVYS, the state-owned nuclear company, signed a framework cooperation agreement that involves nuclear projects in Slovakia, including both large-scale reactors and SMRs. Additionally, in September, Slovakian utility Slovenské Elektrárne announced it increased the power output of the new unit at the Mochovce nuclear power plant to 100% capacity.
- In Romania, it was announced on September 19 that the Canadian federal government would support Romania's energy security through a \$3 billion export financing commitment to the country's nuclear utility Nuclearelectrica SA. Since the 1970's, Romania has used Canadian heavy-water reactor technology (CANDU) for its nuclear program. This funding will help complete the partially built CANDU-6 units 3 and 4.
- In the United Kingdom (UK), EDF, who is building Hinkley Point C, announced potential delays due to construction setbacks at the plant in July. At this time, they warned the units may start up to 15 months late. Additionally, on September 21, EDF announced the creation of a new subsidiary known as EDF EPR Engineering UK. The new entity incorporates nuclear energy focused teams already present in the UK whose core task is to contribute to the engineering studies for Hinkley Point C.
- On August 23, the UK Department for Energy Security and Net Zero along with UK Export Finance issued a press release announcing a loan guarantee of \$245 million (US) for Ukraine to purchase nuclear fuel and help end its reliance on Russian imports.

- In Ghana, Nuclear Power Ghana announced in September it selected the nation's first two nuclear power plant locations.
- On September 25, Kenya's Nuclear Power and Energy Agency said they plan to begin construction on its first commercial nuclear power plant in 2027. They have advanced plans to launch a tender for this reactor in 2026 or 2027, with a construction start date in 2027.
- In Canada, New Brunswick Power signed a three-year contract with Ontario Power Generation to help enhance the operational performance of the Point Lepreau nuclear power plant. Additionally, in August, Crown Investments Corporation provided around \$479,000 to help Saskatchewan firms build small, advanced, and micro reactors (SAMR) supply chain capacity, while the Alberta government announced it plans to invest around \$7 million to study SAMRs.
- On September 13, Brazilian nuclear utility Eletronuclear announced that civil construction works on unit 3 at the Angra nuclear power plant in Rio de Janeiro have been halted due to a funding dispute.
- In the United States, Southern announced Vogtle Unit 3 entered commercial service on July 31.
- On August 24, Tennessee Valley Authority's board of directors approved \$15 billion (US) in new investments over the next three years to boost generating capacity and upgrade the existing energy system.
- The DOE announced 106 awards to small businesses, totaling \$126 million (US) in research and development grants to be used to pursue clean energy via multiple mission areas, including nuclear and fusion energy projects.
- On September 19, US utility Vistra Energy announced it plans to sell the Richmond and Stryker fossil-fueled power plants in Ohio to help clear the path to complete a \$6.3 billion (US) merger process launched in March to acquire Ohio-based nuclear operator Energy Harbor.
- On August 24, Xcel Energy announced it received the necessary state approvals to extend operations of the Monticello nuclear power plant through 2040 by allowing the company to increase its onsite storage of spent nuclear fuel.

Caution about forward-looking information relating to the nuclear industry

This discussion of our expectations for the nuclear industry, including its growth profile, uranium supply and demand, and reactor growth is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading *Caution about forward-looking information* beginning on page 2.

Industry prices at quarter end

	SEP 30 2023	JUN 30 2023	MAR 31 2023	DEC 31 2022	SEP 30 2022	JUN 30 2022
Uranium (\$US/lb U ₃ O ₈) ¹						
Average spot market price	71.58	56.10	50.48	47.68	48.38	49.75
Average long-term price	61.50	56.00	53.00	52.00	51.00	51.50
Fuel services (\$US/kgU as UF ₆) ¹						
<i>Average spot market price</i>						
North America	40.88	40.75	39.75	40.00	38.00	32.75
Europe	40.88	40.75	39.75	40.00	38.00	32.75
<i>Average long-term price</i>						
North America	31.50	30.75	27.88	27.25	26.75	26.25
Europe	31.50	30.50	27.88	27.50	27.00	26.50

Note: the industry does not publish UO₂ prices.

¹ Average of prices reported by TradeTech and UxC LLC (UxC)

On the spot market, where purchases call for delivery within one year, the volume reported by UxC for the third quarter of 2023 was almost 13 million pounds U₃O₈ equivalent, compared to 9 million pounds U₃O₈ equivalent contracted in the third quarter of 2022. As of September 30, 2023, the average reported spot price was \$71.58 (US) per pound, an increase of \$15.48 (US) per pound from the previous quarter.

Long-term contracts generally call for deliveries to begin more than two years after the contract is finalized, and use a number of pricing formulas, including base-escalated prices set at time of contracting and escalated over the term of the contract, and market-related prices, which reference spot and/or long-term indicators determined near the time of delivery. Long-term contracting reported by UxC for the first nine months of 2023 totaled about 144 million pounds U_3O_8 equivalent, up from about 80 million pounds U_3O_8 equivalent reported over the same period in 2022. Total long-term contracting volumes to date in 2023 has already exceeded the volume of each of the last 10 years, a strong indication that a new long-term contracting cycle is underway. The average reported long-term price at the end of the quarter was \$61.50 (US) per pound U_3O_8 equivalent, an increase of \$5.50 (US) per pound from the previous quarter.

With the increased demand for conversion services, pricing in both North America and Europe continues to be strong. As of the end of the third quarter, the average reported spot price reached a record high of \$40.88 (US) per kilogram uranium (kgU) as UF_6 , up \$0.13 (US) from the previous quarter. Long-term UF_6 conversion prices for North America finished the quarter at \$31.50 (US) per kgU, up \$0.75 (US) from the previous quarter.

Our strategy

We are a pure-play investment in the growing demand for nuclear energy. We are focused on providing nuclear fuel products and services across the fuel cycle to support the generation of clean, reliable, secure and affordable energy, and we are focused on taking advantage of the long-term growth we see coming in our industry. Our strategy is set within the context of what we believe is a transitioning market environment, where increasing populations, a growing focus on electrification and decarbonization, and concerns about energy security and affordability are expected to durably strengthen the long-term fundamentals for nuclear power and the uranium and fuel services needed to run the reactors. We believe nuclear energy must be a significant component of the world's shift to a low-carbon, climate resilient economy. It is an option that can provide the necessary power in a reliable, safe and affordable manner, and in a way that will help avoid some of the worst consequences of climate change.

Our strategy is to capture full-cycle value by:

- remaining disciplined in our contracting activity, building a balanced portfolio in accordance with our contracting framework;
- profitably producing from our tier-one assets and aligning our production decisions in all segments of our business with our contract portfolio and customer needs;
- being financially disciplined to allow us to execute on our strategy, take advantage of strategic opportunities and to self-manage risk, and
- exploring other emerging and non-traditional opportunities within the fuel cycle that align with our commitment to responsibly and sustainably manage our business, contribute to the mitigation of global climate change, and help to provide energy security and affordability

We expect our strategy will allow us to increase long-term value, and we will execute it with an emphasis on safety, people and the environment.

Our vision – “Energizing a clean-air world” – recognizes that we have an important role to play in enabling the vast reductions in global greenhouse gas (GHG) emissions required to achieve a resilient net-zero carbon economy. We support climate action that is consistent with the ambitions of the Paris Agreement and the Canadian government's commitment to the agreement, which seeks to limit global temperature rise to less than 2° Celsius, a target that climate scientists believe will require the world to reach net-zero emissions by 2050 or sooner. Our uranium and fuel services are used around the world in the generation of safe, carbon-free, affordable, base-load nuclear power.

We believe we have the right strategy to achieve our vision and we will do so in a manner that reflects our values. For over 30 years, we have been operating and delivering our products responsibly. Building on that strong foundation, we have set a new target to reduce our combined Scope 1 and Scope 2 GHG emissions by 30% by 2030, from our 2015 baseline as our first major milestone on the journey to achieve our ambition of being net-zero. We remain committed to our efforts to transform our own, already low, greenhouse gas footprint in our ambition to reach net-zero emissions, and identifying and addressing the environmental, social, and governance (ESG) risks and opportunities that we believe may have a significant impact on our ability to add long-term value for our stakeholders.

You can read more about our strategy in our 2022 annual MD&A and our approach to ESG in our 2022 ESG report.

Strategy in action

In September, we provided a production update reducing our 2023 uranium production outlook from 33 million pounds (20.3 million pounds our share) to up to 30.3 million pounds (up to 18.7 million pounds our share). See *Uranium 2023 Q3 updates* starting on page 27 for more information. This expected production shortfall further highlights the growing security of supply risk at a time when we believe the demand outlook is stronger and more durable than ever and where we believe the risk to uranium supply is greater than the risk to uranium demand. We expect the uncertainty about where nuclear fuel supplies will come from to satisfy growing demand will continue to drive a renewed focus on long-term contracting to ensure availability of supply to fuel nuclear reactors. With the improvements in the market, the new long-term contracts we have put in place, and a pipeline of contracting discussions, we maintain our plans to increase uranium production to 36 million pounds (22.4 million pounds our share) starting in 2024. At Inkai, production will continue to follow the 20% reduction planned by Kazatomprom until the end of 2023. In addition to our uranium production plans, our Port Hope UF₆ conversion facility is working to increase annual production to 12,000 tonnes of UF₆ by 2024, in order to satisfy our book of long-term business and demand for conversion services, at a time when conversion prices are at historic highs.

We continue to have the ability to expand production from our existing assets, however some additional investment would be required. If we took advantage of all tier-one expansion opportunities, our annual share of tier-one uranium supply could be about 32 million pounds (including our share of production from McArthur River/Key Lake and Cigar Lake, and Inkai purchases). However, we will continue to responsibly manage our supply in accordance with our contract portfolio and our customers' needs.

With increasing supply risk caused by production challenges and heightened geopolitical uncertainty, utilities are evaluating their nuclear fuel supply chains. Our utility customers' nuclear power plants continue to be part of the critical infrastructure needed to guarantee the availability of 24-hour electricity to run essential services. Our customers are going to need nuclear fuel to allow them to continue to provide carbon-free baseload electricity. As a reliable, commercial supplier, with nuclear fuel assets in geopolitically stable jurisdictions, we are focused on working with our customers to secure long-term commitments that will underpin the long-term operation of our productive capacity, while helping de-risk their nuclear fuel supply chains.

We are also focused on adding new markets to our global commercial portfolio. We are successfully competing for business in countries seeking to enhance their energy security, while affirming their commitment to carbon-free nuclear power in achieving their climate goals.

In recent years, the volumes we have placed under long-term agreements have exceeded our annual delivery volumes. With our contracting success, we are heavily committed under long-term contracts. As of September 30, 2023, we had commitments requiring delivery of an average of about 29 million pounds per year from 2023 through 2027, an increase from an average of about 28 million pounds per year at the end of June. Commitment levels in 2023 through 2025 are higher than the average and in 2026 and 2027 lower than the average. We also have contracts in our uranium and fuel services segments that have deliveries spanning more than a decade, and in our uranium segment, many of our contracts benefit from market-related pricing mechanisms. In addition, we have a large and growing pipeline of business under discussion, which we expect will help further build our long-term portfolio. With about 144 million pounds of long-term contracting industry-wide so far this year, we believe there is clear evidence that the broader uranium market is moving toward replacement-rate contracting reflecting security of supply concerns. This is the type of contracting necessary to promote the price discovery already seen in the enrichment and conversion markets and that will incentivize investments in the supply necessary to satisfy the growing long-term requirements. Therefore, we remain selective in committing our unencumbered, in-ground uranium inventory and UF₆ conversion capacity under long-term contracts to help maintain additional exposure to future improvements in the market.

We continue to meet our sales commitments through a combination of production, inventory, purchases and product loans. In the first nine months of 2023, we produced 11.9 million pounds of uranium (our share) and purchased 5 million pounds. The average unit cost of our purchases was \$69.88 per pound (\$51.58 per pound (US)). See *Financial results by segment – Uranium* starting on page 23 for more information.

Thanks to the disciplined execution of our strategy, our balance sheet is strong. As of September 30, 2023, we had \$2.7 billion in cash and cash equivalents, and \$1.0 billion in total debt. We also have a \$1.0 billion undrawn credit facility. Our current cash balance is in excess of our normal working capital requirements and is expected to be used to help finance the pending acquisition of Westinghouse. See *Pending acquisition of Westinghouse* on page 30.

In October, pursuant to a cost award from the courts, we received a payment of approximately \$12 million for disbursements from Canada Revenue Agency (CRA), which is in addition to the \$10 million we received as reimbursement for legal fees in 2021. See *Transfer pricing dispute* on page 15 for more information.

We expect to maintain the financial strength and flexibility necessary to execute our strategy by being disciplined and planning production in coordination with contracting success and market opportunities, and by taking advantage of value-added growth opportunities, while continuing to navigate by our investment grade rating to self-manage risk, including risks related to global macro-economic uncertainty and volatility.

Financial results

This section of our MD&A discusses our performance, financial condition and outlook for the future.

In the second quarter of 2022, we, along with Orano, acquired Idemitsu Canada Resources Ltd.'s 7.875% participating interest in the Cigar Lake Joint Venture. Our ownership stake in Cigar Lake is now 54.547%, which is 4.522% higher than it was prior to the transaction. Effective May 19, 2022, we have reflected our share of production and financial results based on this new ownership stake.

Consolidated financial results

HIGHLIGHTS (\$ MILLIONS EXCEPT WHERE INDICATED)	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2023	2022	CHANGE	2023	2022	CHANGE
Revenue	575	389	48%	1,744	1,344	30%
Gross profit	152	25	>100%	429	168	>100%
Net earnings (losses) attributable to equity holders	148	(20)	>100%	281	105	>100%
\$ per common share (basic)	0.34	(0.05)	>100%	0.65	0.26	>100%
\$ per common share (diluted)	0.34	(0.05)	>100%	0.65	0.26	>100%
Adjusted net earnings (non-IFRS, see page 13)	137	10	>100%	249	100	>100%
\$ per common share (adjusted and diluted)	0.32	0.03	>100%	0.57	0.25	>100%
Cash provided by (used in) operations (after working capital changes)	185	(47)	>100%	487	227	>100%

NET EARNINGS

The following table shows what contributed to the change in net earnings and adjusted net earnings (non-IFRS measure, see page 13) in the third quarter and the first nine months of 2023, compared to the same periods in 2022.

(\$ MILLIONS)	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	IFRS	ADJUSTED	IFRS	ADJUSTED
Net earnings (losses) - 2022	(20)	10	105	100
Change in gross profit by segment (We calculate gross profit by deducting from revenue the cost of products and services sold, and depreciation and amortization (D&A), net of hedging benefits)				
Uranium				
Impact from sales volume changes	6	6	18	18
Higher realized prices (\$US)	56	56	93	93
Foreign exchange impact on realized prices	18	18	75	75
Lower costs	40	40	66	66
Change – uranium	120	120	252	252
Fuel services				
Impact from sales volume changes	-	-	5	5
Higher realized prices (\$Cdn)	14	14	24	24
Higher costs	(8)	(8)	(20)	(20)
Change – fuel services	6	6	9	9
Other changes				
Higher administration expenditures	(5)	(5)	(44)	(44)
Higher exploration expenditures	(1)	(1)	(6)	(6)
Change in reclamation provisions	36	12	(10)	10
Higher earnings from equity-accounted investee	26	26	22	22
Change in gains or losses on derivatives	26	(8)	75	(20)
Change in foreign exchange gains or losses	3	3	(60)	(60)
Higher finance income	25	25	77	77
Bargain purchase gain on CLJV ownership interest increase	-	-	(23)	-
Change in income tax recovery or expense	(66)	(49)	(100)	(75)
Other	(2)	(2)	(16)	(16)
Net earnings - 2023	148	137	281	249

See *Financial results by segment* on page 23 for more detailed discussion.

ADJUSTED NET EARNINGS (NON-IFRS MEASURE)

Adjusted net earnings (ANE) is a measure that does not have a standardized meaning or a consistent basis of calculation under IFRS (non-IFRS measure). We use this measure as a meaningful way to compare our financial performance from period to period. Adjusted net earnings is our net earnings attributable to equity holders, adjusted to reflect the underlying financial performance for the reporting period. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. Adjusted net earnings is one of the targets that we measure to form the basis for a portion of annual employee and executive compensation (see *Measuring our results* starting on page 36 of our 2022 annual report).

In calculating ANE we adjust for derivatives. We do not use hedge accounting under IFRS and, therefore, we are required to report gains and losses on all hedging activity, both for contracts that close in the period and those that remain outstanding at the end of the period. For the contracts that remain outstanding, we must treat them as though they were settled at the end of the reporting period (mark-to-market). However, we do not believe the gains and losses that we are required to report under IFRS appropriately reflect the intent of our hedging activities, so we make adjustments in calculating our ANE to better reflect the impact of our hedging program in the applicable reporting period. See *Foreign exchange* starting on page 17 for more information.

We also adjust for changes to our reclamation provisions that flow directly through earnings. Every quarter we are required to update the reclamation provisions for all operations based on new cash flow estimates, discount and inflation rates. This normally results in an adjustment to an asset retirement obligation asset in addition to the provision balance. When the assets of an operation have been written off due to an impairment, as is the case with our Rabbit Lake and US ISR operations, the adjustment is recorded directly to the statement of earnings as "other operating expense (income)". See note 9 of our interim financial statements for more information. This amount has been excluded from our ANE measure.

The bargain purchase gain that was recognized when we acquired our pro-rata share of Idemitsu Canada Resources Ltd.'s 7.875% participating interest in the Cigar Lake Joint Venture has also been removed in calculating ANE since it is non-cash, non-operating and outside of the normal course of our business. The gain was recorded in the statement of earnings as part of "other income (expense)".

Adjusted net earnings is a non-IFRS financial measure and should not be considered in isolation or as a substitute for financial information prepared according to accounting standards. Other companies may calculate this measure differently, so you may not be able to make a direct comparison to similar measures presented by other companies.

The following table reconciles adjusted net earnings with net earnings for the third quarter and first nine months of 2023 and compares it to the same periods in 2022.

(\$ MILLIONS)	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Net earnings (losses) attributable to equity holders	148	(20)	281	105
Adjustments				
Adjustments on derivatives	41	75	-	95
Adjustment to other operating income	(48)	(24)	(42)	(62)
Adjustment to other income	-	-	-	(23)
Income taxes on adjustments	(4)	(21)	10	(15)
Adjusted net earnings	137	10	249	100

Quarterly trends

HIGHLIGHTS (\$ MILLIONS EXCEPT PER SHARE AMOUNTS)	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	575	482	687	524	389	558	398	465
Net earnings (losses) attributable to equity holders	148	14	119	(15)	(20)	84	40	11
\$ per common share (basic)	0.34	0.03	0.27	(0.04)	(0.05)	0.21	0.10	0.03
\$ per common share (diluted)	0.34	0.03	0.27	(0.04)	(0.05)	0.21	0.10	0.03
Adjusted net earnings (losses) (non-IFRS, see page 13)	137	(3)	115	36	10	72	17	23
\$ per common share (adjusted and diluted)	0.32	(0.01)	0.27	0.09	0.03	0.18	0.04	0.06
Cash provided by (used in) operations (after working capital changes)	185	87	215	77	(47)	102	172	59

Key things to note:

- the timing of customer requirements, which tend to vary from quarter to quarter, drives revenue in the uranium and fuel services segments, meaning quarterly results are not necessarily a good indication of annual results due to seasonal variability
- net earnings do not trend directly with revenue due to unusual items and transactions that occur from time to time. We use adjusted net earnings, a non-IFRS measure, as a more meaningful way to compare our results from period to period (see page 13 for more information).
- cash from operations tends to fluctuate as a result of the timing of deliveries and product purchases in our uranium and fuel services segments

The following table compares the net earnings and adjusted net earnings for the first quarter to the previous seven quarters.

HIGHLIGHTS (\$ MILLIONS EXCEPT PER SHARE AMOUNTS)	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net earnings (losses) attributable to equity holders	148	14	119	(15)	(20)	84	40	11
Adjustments								
Adjustments on derivatives	41	(35)	(6)	(19)	75	31	(11)	5
Adjustment to other operating income	(48)	8	(2)	88	(24)	(19)	(19)	10
Adjustment to other income	-	-	-	-	-	(23)	-	-
Income taxes on adjustments	(4)	10	4	(18)	(21)	(1)	7	(3)
Adjusted net earnings (losses) (non-IFRS, see page 13)	137	(3)	115	36	10	72	17	23

Corporate expenses

ADMINISTRATION

(\$ MILLIONS)	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2023	2022	CHANGE	2023	2022	CHANGE
Direct administration	45	38	18%	137	105	30%
Stock-based compensation	21	23	(9)%	50	34	47%
Reversal (recovery) of fees related to CRA dispute	-	-	-	-	4	(100)%
Total administration	66	61	8%	187	143	31%

Direct administration costs were \$7 million higher for the third quarter of 2023 compared to the same period last year, and \$32 million higher for the first nine months largely due to the impacts of inflation and higher costs as a result of digital initiatives. Stock-based compensation in the first nine months of 2023 was \$16 million higher than 2022 due to the increase in our share price from the comparative period. See note 17 to the financial statements.

EXPLORATION AND RESEARCH & DEVELOPMENT

In the third quarter, uranium exploration expenses were \$4 million, an increase of \$1 million from the third quarter of 2022. Exploration expenses for the first nine months of the year increased by \$6 million compared to 2022, to \$14 million.

We also had research and development expenditures in the third quarter of \$8 million, an increase of \$5 million from the third quarter of 2022. Research and development expenses for the first nine months of the year increased by \$8 million compared to 2022, to \$17 million. These expenses are related to our investment in Global Laser Enrichment, LLC.

INCOME TAXES

We recorded an income tax expense of \$41 million in the third quarter of 2023, compared to a recovery of \$25 million in the third quarter of 2022.

In the first nine months of 2023, we recorded an expense of \$100 million compared to no expense in 2022.

(\$ MILLIONS)	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Net earnings (loss) before income taxes				
Canada	162	(87)	373	79
Foreign	27	42	8	26
Total net earnings before income taxes	189	(45)	381	105
Income tax expense (recovery)				
Canada	39	(27)	93	(5)
Foreign	2	2	7	5
Total income tax expense	41	(25)	100	-

TRANSFER PRICING DISPUTE

Background

Since 2008, Canada Revenue Agency (CRA) has disputed our marketing and trading structure and the related transfer pricing methodology we used for certain intercompany uranium sale and purchase agreements.

For the years 2003 to 2014, CRA shifted Cameco Europe Limited's income (as recalculated by CRA) back to Canada and applied statutory tax rates, interest and instalment penalties, and, from 2007 to 2011, transfer pricing penalties. In addition, for 2014 to 2016, CRA has advanced an alternate reassessing position, see *Reassessments, remittances and next steps* below for more information.

In September 2018, the Tax Court of Canada (Tax Court) ruled that our marketing and trading structure involving foreign subsidiaries, as well as the related transfer pricing methodology used for certain intercompany uranium sales and purchasing agreements, were in full compliance with Canadian law for the tax years in question (2003, 2005 and 2006). On June 26, 2020, the Federal Court of Appeal (Court of Appeal) upheld the Tax Court's decision.

On February 18, 2021, the Supreme Court of Canada (Supreme Court) dismissed CRA's application for leave to appeal the June 26, 2020, decision of the Court of Appeal. The dismissal means that the dispute for the 2003, 2005 and 2006 tax years is fully and finally resolved in our favour. Although not technically binding, there is nothing in the reasoning of the lower court decisions that should result in a different outcome for the 2007 through 2014 tax years, which were reassessed on the same basis.

Refund and cost award

The Minister of National Revenue issued new reassessments for the 2003 through 2006 tax years in accordance with the decision and in July 2021, refunded the tax paid for those years. In October, pursuant to a cost award from the courts, we received a payment of approximately \$12 million for disbursements, which is in addition to the \$10 million we received from CRA in April 2021 as reimbursement for legal fees.

Reassessments, remittances and next steps

The Canadian income tax rules include provisions that generally require larger companies like us to remit or otherwise secure 50% of the cash tax plus related interest and penalties at the time of reassessment. Following the Supreme Court's dismissal of CRA's application for leave to appeal, we wrote to CRA requesting reversal of CRA's transfer pricing adjustments for 2007 through 2013 and the return of the \$780 million in cash and letters of credit we have paid or provided for those years. Given the strength of the court decisions received, our request was made on the basis that the Tax Court would reject any attempt by CRA to defend its reassessments for the 2007 through 2013 tax years applying the same or similar positions already denied for previous years.

In March, CRA issued revised reassessments for the 2007 through 2013 tax years, which resulted in a refund of \$297 million of the \$780 million in cash and letters of credit held by CRA at the time. The refund consisted of cash in the amount of \$86 million and letters of credit in the amount of \$211 million, which were returned in the second quarter. CRA continues to hold \$483 million (\$209 million in cash and \$274 million in letters of credit) that Cameco has remitted or secured to date.

The series of court decisions that were completely and unequivocally in our favour for the 2003, 2005 and 2006 tax years, determined that the income earned by our foreign subsidiary from the sale of non-Canadian produced uranium was not taxable in Canada. In accordance with these decisions, CRA issued reassessments reducing the proposed transfer pricing adjustment from \$5.1 billion to \$3.3 billion, resulting in a reduction of \$1.8 billion in income taxable in Canada compared to the previous reassessments issued to us by CRA for the 2007 through 2013 tax years.

The remaining transfer pricing adjustment of \$3.3 billion for the 2007 to 2013 tax years relates to the sale of Canadian-produced uranium by our foreign subsidiary. Cameco maintains that the clear and decisive court decisions described above apply, and that CRA should fully reverse the remaining transfer pricing adjustments for these years and return the cash and security being held.

In October 2021, due to a lack of significant progress on our points of contention, we filed a notice of appeal with the Tax Court for the years 2007 through 2013. We have asked the Tax Court to order the complete reversal of CRA's transfer pricing adjustment for those years and the return of the remainder of our cash and letters of credit being held, with costs.

In 2020, CRA advanced an alternate reassessing position for the 2014 tax year in the event the basis for its original reassessment, noted above, is unsuccessful. Subsequent to this, in 2021, we received a reassessment for the 2015 tax year and in late 2022, we received a reassessment for the 2016 tax year, both using this alternative reassessing position. The new basis of reassessment is inconsistent with the methodology CRA has pursued for prior years and we are disputing it separately. Our view is that this alternate methodology will not result in a materially different outcome from our 2014 to 2016 filing positions. On October 12, 2022, we filed an appeal with the Tax Court for the years 2014 and 2015, and in March 2023, filed a notice of objection for 2016. CRA did not require additional security for the tax debts they considered owing for 2014, 2015 and 2016.

We will not be in a position to determine the definitive outcome of this dispute for any tax year other than 2003 through 2006 until such time as all reassessments have been issued advancing CRA's arguments and final resolution is reached for that tax year. CRA may also advance alternative reassessment methodologies for years other than 2003 through 2006, such as the alternative reassessing position advanced for 2014 through 2016.

Caution about forward-looking information relating to our CRA tax dispute

This discussion of our expectations relating to our tax dispute with CRA and future tax reassessments by CRA is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the heading *Caution about forward-looking information* beginning on page 2.

FOREIGN EXCHANGE

The exchange rate between the Canadian dollar and US dollar affects the financial results of our uranium and fuel services segments.

We sell the majority of our uranium and fuel services products under long-term sales contracts, which are routinely denominated in US dollars. While our product purchases are largely denominated in US dollars, our production costs are largely denominated in Canadian dollars. To provide cash flow predictability, we hedge a portion of our net US/Cdn exposure (e.g. total US dollar sales less US dollar expenditures and product purchases) to manage shorter term exchange rate volatility. Our results are therefore affected by the movements in the exchange rate on our hedge portfolio, and on the unhedged portion of our net exposure.

Impact of hedging on IFRS earnings

We do not use hedge accounting under IFRS and we are therefore required to report gains and losses on economic hedging activity, both for contracts that close in the period and those that remain outstanding at the end of the period. For the contracts that remain outstanding, we must treat them as though they were settled at the end of the reporting period (mark-to-market).

However, we do not believe the gains and losses that we are required to report under IFRS appropriately reflect the intent of our hedging activities, so we make adjustments in calculating our ANE to better reflect the benefits of our hedging program in the applicable reporting period.

Impact of hedging on ANE

We designate contracts for use in particular periods, based on our expected net exposure in that period. Hedge contracts are layered in over time based on this expected net exposure. The result is that our current hedge portfolio is made up of a number of contracts which are currently designated to net exposures we expect in 2023 and future years, and we will recognize the gains and losses in ANE in those periods.

For the purposes of ANE, gains and losses on derivatives are reported based on the difference between the effective hedge rate of the contracts designated for use in the particular period and the exchange rate at the time of settlement. This results in an adjustment to current period IFRS earnings to effectively remove reported gains and losses on derivatives that arise from contracts put in place for use in future periods. The effective hedge rate will lag the market in periods of rapid currency movement. See *Non-IFRS measures* on page 13.

For more information, see our 2022 annual MD&A.

At September 30, 2023:

- The value of the US dollar relative to the Canadian dollar was \$1.00 (US) for \$1.36 (Cdn), up from \$1.00 (US) for \$1.32 (Cdn) at June 30, 2023. The exchange rate averaged \$1.00 (US) for \$1.34 (Cdn) over the quarter.
- The mark-to-market position on all foreign exchange contracts was a \$48 million loss compared to a \$7 million loss at June 30, 2023.

For information on the impact of foreign exchange on our intercompany balances, see note 18 to the financial statements.

Outlook for 2023

Our outlook for 2023 is beginning to reflect the transition of our cost structure back to a tier-one run rate, as we plan our production to satisfy the growing long-term commitments under our contract portfolio. With our plan to produce 18 million pounds per year (100% basis) at both Cigar Lake and at McArthur River/Key Lake in 2024, and to increase production at our Port Hope UF₆ conversion facility, we expect to see continued improvement in our financial performance.

From a cash perspective, we expect to generate strong cash flows. However, cash balances will be dependent on the timing and volume of production, the timing, magnitude and source of our purchasing activity, and the timing of the close of the Westinghouse acquisition.

As in prior years, we will incur care and maintenance costs for the ongoing curtailment of our tier-two assets, which are expected to be between \$50 million and \$60 million.

As a result of lower production expectations from Cigar Lake and from McArthur River/Key Lake, we now expect to produce up to 18.7 million pounds (our share) in 2023. Please see *Uranium 2023 Q3 updates* on page 27 for more information. Due to the continued upward movement in the uranium spot price, we have updated our outlook for the anticipated uranium average realized price to \$65.50 per pound (previously \$63.80 per pound). With the updates to sales price, we now expect uranium revenue to be between \$2,040 million and \$2,130 million (previously \$1,990 million to \$2,080 million) and expected consolidated revenue to between \$2,430 million and \$2,580 million (previously \$2,380 million to \$2,530 million).

The average unit cost of sales in our uranium segment is now expected to be between \$52.00 and \$53.00 per pound (previously \$49.00 and \$51.00 per pound) due to the lower production expectations and the impact of the uranium spot price on our purchasing activity.

2023 FINANCIAL OUTLOOK

	CONSOLIDATED	URANIUM	FUEL SERVICES
Production (owned and operated properties)	-	up to 18.7 million lbs	13 to 14 million kgU
Purchases	-	11 to 13 million lbs	-
Sales/delivery volume	-	31 to 33 million lbs	11.5 to 12.5 million kgU
Revenue	\$2,430-2,580 million	\$2,040-2,130 million	\$390-420 million
Average realized price	-	\$65.50/lb	-
Average unit cost of sales (including D&A)	-	\$52.00-53.00/lb ¹	\$23.50-24.50/kgU ²
Direct administration costs	\$180-190 million	-	-
Exploration costs	-	\$18 million	-
Capital expenditures	\$150-175 million	-	-

¹Uranium average unit cost of sales is calculated as the cash and non-cash costs of the product sold, care and maintenance and selling costs, divided by the volume of uranium concentrates sold.

²Fuel services average unit cost of sales is calculated as the cash and non-cash costs of the product sold, transportation and weighing and sampling costs, divided by the volume of products sold.

We do not provide an outlook for the items in the table that are marked with a dash.

The following assumptions were used to prepare the outlook in the table above:

- Production – we achieve 18.7 million pounds of production (our share) in our uranium segment. If we do not achieve 18.7 million pounds, the outlook for the uranium segment may change.
- Purchases – are based on the volumes we currently have commitments to acquire under contract in 2023, including our JV Inkai purchases, and it includes additional volumes we are required to purchase in order to meet the sales/delivery commitments we have under contract in 2023 and maintain a working inventory. It does not include any purchases that we may make as a result of the impact of any delays or disruptions to production for any reason, including disruptions caused by supply chain or transportation, or other issues.

- Our 2023 outlook for sales/delivery volume and revenue does not include sales between our uranium and fuel services segments.
- Sales/delivery volume is based on the volumes already delivered this year and the remaining commitments we have to deliver under contract in 2023.
- Uranium revenue and average realized price are based on a uranium spot price of \$70.00 (US) per pound (the UxC spot price as of September 25, 2023), a long-term price indicator of \$61.00 (US) per pound (the UxC long-term indicator on September 25, 2023) and an exchange rate of \$1.00 (US) for \$1.33 (Cdn).
- Uranium average unit cost of sales (including D&A) is based on the expected unit cost of sales for produced material, the planned purchases noted in the outlook at an anticipated average purchase price of about \$72.40 (Cdn) per pound (previously \$68.90 (Cdn) per pound) and includes care and maintenance costs of between \$50 million and \$60 million. We expect overall unit cost of sales could vary if there are changes in production and purchase volumes or the mix between spot and long-term purchases, uranium spot prices, and/or care and maintenance costs in 2023.
- Direct administration costs do not include stock-based compensation expenses. See page 14 for more information.

Our 2023 financial outlook is presented on the basis of equity accounting for our minority ownership interest in JV Inkai. Under equity accounting, our share of the profits earned by JV Inkai on the sale of its production to the JV partners will be included in “income from equity-accounted investees” on our consolidated statement of earnings. Our share of production will be purchased at a discount to the spot price and included at this value in inventory. In addition, JV Inkai capital is not included in our outlook for capital expenditures.

For more information on how changes in the exchange rate or uranium prices can impact our outlook see *Revenue, adjusted net earnings, and cash flow sensitivity analysis* below, and *Foreign exchange* on page 17.

REVENUE, ADJUSTED NET EARNINGS, AND CASH FLOW SENSITIVITY ANALYSIS

FOR 2023 (\$ MILLIONS)	CHANGE	IMPACT ON:		
		REVENUE	ANE	CASH FLOW
Uranium spot and term price ¹	\$5(US)/lb increase	8	2	(18)
	\$5(US)/lb decrease	(11)	(4)	15
Value of Canadian dollar vs US dollar	One cent decrease in CAD	5	8	-
	One cent increase in CAD	(5)	(8)	-

¹ Assuming change in both UxC spot price (\$70.00 (US) per pound on September 25, 2023) and the UxC long-term price indicator (\$61.00 (US) per pound on September 25, 2023)

We have sensitivity to the uranium price through both our sales and purchase commitments. However, for the remainder of the year our sales commitments are less sensitive to an increase in the uranium price than a decrease, while our purchase commitments are equally sensitive to an increase or decrease.

PRICE SENSITIVITY ANALYSIS: URANIUM SEGMENT

As discussed under *Long-term contracting* on page 26 of our 2022 annual MD&A, our average realized price is based on pricing terms established in our portfolio of long-term contracts, which includes a mix of base-escalated and market-related contracts that are layered in over time. Each confidential contract is bilaterally negotiated with the customer and delivery generally does not begin until two years or more after signing.

- Base-escalated contracts will reflect market conditions and pricing at the time each contract was finalized, with escalation factors applied based on when the material is delivered.
- Market-related contracts reference a market price that can be set several months prior to delivery, subject to specific terms unique to each contract, such as floors and ceilings set relative to market pricing at time of negotiation and typically escalated to time of delivery.

As a result of these contracting dynamics, changes to our average realized price will generally lag changes in market prices in both rising and falling price conditions. The magnitude and direction of the deviation can vary based on the degree of market price volatility between the time the contract price is set, and the time the product is delivered.

To help understand how the pricing under our current portfolio of commitments is expected to react at various spot prices at September 30, 2023, we have constructed the table that follows.

The table is based on the volumes and pricing terms under the long-term commitments in our contract portfolio that have been finalized as at September 30, 2023. The table does not include volumes and pricing terms in contracts under negotiation or those that have been accepted but are still subject to contract finalization. Based on the terms and volumes under contracts that have been finalized, the table is designed to indicate how our average realized price would react under various spot price assumptions at a point in time. In other words, the prices shown in the table would only be realized if the contract portfolio remained exactly as it was on September 30, 2023, using the following assumptions:

- The uranium price remains fixed at a given spot level for each annual period shown
- Deliveries based on commitments under finalized contracts include best estimates of the expected deliveries and flexibility under contract terms
- To reflect escalation mechanisms contained in existing contracts, the long-term US inflation rate target of 2% is used, for modeling purposes only

It is important to note that the table is not a forecast of prices we expect to receive. The prices we actually realize will be different from the prices shown in the table. We intend to update this table each quarter in our MD&A to reflect deliveries made and changes to our contract portfolio. As a result, we expect the table to change from quarter to quarter.

Expected realized uranium price sensitivity under various spot price assumptions at September 30, 2023

(rounded to the nearest \$1.00)

SPOT PRICES (\$US/lb U ₃ O ₈)	\$20	\$40	\$60	\$80	\$100	\$120	\$140
2023	46	47	48	49	49	49	50
2024	35	41	51	56	58	59	60
2025	37	43	54	61	64	65	66
2026	40	43	56	65	68	69	70
2027	41	44	56	67	71	72	73

As of September 30, 2023, we had commitments requiring delivery of an average of about 29 million pounds per year from 2023 through 2027, with commitment levels in 2023 through 2025 higher than the average and in 2026 and 2027 lower than the average. As the market improves, we expect to continue to layer in volumes capturing greater upside using market-related pricing mechanisms.

Liquidity and capital resources

Our financial objective is to ensure we have the cash and debt capacity to fund our operating activities, investments and other financial obligations in order to execute our strategy and to allow us to self-manage risk. We have a number of alternatives to fund future capital requirements, including using our operating cash flow, drawing on our existing credit facilities, entering new credit facilities, and raising additional capital through debt or equity financings. We are always considering our financing options so we can take advantage of favourable market conditions when they arise. In addition, due to the deliberate cost reduction measures we have implemented, we have continued to have positive cash from operations, which has added to our cash balance. With the net proceeds from the October 2022 share issuance, which are expected to help finance the pending acquisition of Westinghouse, we had significant cash balances again at the end of the third quarter.

As of September 30, 2023, we had cash and cash equivalents of \$2.7 billion, while our total debt amounted to \$1.0 billion. Our cash balances and investments are held in government securities or with banks that are party to our lending facilities. We have a risk management policy that we follow to manage our exposure to banking counterparties, which limits amount and tenor of cash or investments based on counterparty credit rating. Our investment decisions prioritize security and liquidity and consider concentration amongst our banking partners. The majority of our cash balances are with Schedule I Canadian banks. On October 5, 2023, we received \$12 million from CRA for disbursements related to the September 2018 Tax Court decision and cost award.

As announced on October 11, 2022, we have entered into a strategic partnership with Brookfield and its publicly listed affiliate Brookfield Renewable Partners (Brookfield) and its institutional partners to acquire Westinghouse. Permanent financing is expected to be a mix of capital sources (cash, debt and equity), designed to preserve the company's balance sheet and ratings strength while maintaining our liquidity. Please see *Liquidity and capital resources* starting on page 50 of our annual MD&A for more information.

We expect our cash balances, operating cash flows, and the credit facilities put in place to support the close of the Westinghouse transaction, to meet our 2023 capital requirements. Depending on timing, we may have more or less cash than expected at closing and could temporarily draw on our revolving credit facility for short-term working capital purposes.

We have large, creditworthy customers that continue to need our nuclear fuel products and services even during weak economic conditions, and we expect the contract portfolio we have built will continue to provide a solid revenue stream. In our uranium segment, from 2023 through 2027, we have commitments to deliver an average of about 29 million pounds per year, with commitment levels in 2023 through 2025 higher than the average and in 2026 and 2027, lower than the average.

We expect increased production at McArthur River/Key Lake compared to last year will be positive for cash flow as we are able to source more of our committed sales from lower-cost produced pounds and are no longer required to expense operational readiness costs directly to cost of sales. However, cash flow from operations for 2023 will be dependent on the timing and volume of production from McArthur River/Key Lake and Cigar Lake and the timing, magnitude and source of our purchasing activity.

With the Supreme Court's dismissal of CRA's application for leave, the dispute for the 2003 through 2006 tax years is fully and finally resolved in our favour. Furthermore, we are confident the courts would reject any attempt by CRA to utilize the same position and arguments for tax years 2007 through 2014, or its alternate reassessing position for tax years 2014 through 2016 and believe CRA should return the remaining \$483 million in cash and letters of credit we have been required to pay or otherwise secure. However, timing of any further payments is uncertain. See *Transfer pricing dispute* starting on page 15 for more information.

CASH FROM/USED IN OPERATIONS

Cash provided by operations was \$232 million higher this quarter than in the third quarter of 2022 due to higher earnings and a decrease in working capital requirements, which required \$109 million less in 2023 than in 2022. In addition to the higher earnings and decreased working capital requirements, interest received was \$27 million more due to higher cash and investment balances and higher interest rates.

Cash provided by operations was \$260 million higher in the first nine months of 2023 than for the same period in 2022 due to higher earnings, the \$86 million cash refund from CRA, the higher dividend payment from JV Inkai and higher interest received due to higher cash and investment balances and higher interest rates. These factors were partially offset by an increase in working capital requirements, which required \$44 million more in 2023 than in 2022. See note 16 of our interim financial statements for more information.

FINANCING ACTIVITIES

We use debt to provide additional liquidity. We have sufficient borrowing capacity with unsecured lines of credit totalling about \$2.8 billion at September 30, 2023, up from \$2.7 billion at June 30, 2023 due to a stronger US dollar. At September 30, 2023, we had approximately \$1.5 billion outstanding in financial assurances, up from \$1.4 billion at June 30, 2023 also due to a stronger US dollar.

We have extended the maturity date of our \$1.0 billion unsecured revolving credit facility from October 1, 2026, to October 1, 2027. The credit facility allows us to request increases above \$1.0 billion, in increments of no less than \$50 million, up to a total of \$1.25 billion. At September 30, 2023, we had no short-term debt outstanding on our \$1.0 billion unsecured revolving credit facility, unchanged from December 31, 2022.

Long-term contractual obligations

Since December 31, 2022, we have reclassified our Series G debentures to current since they mature on June 24, 2024. There have been no other material changes to our long-term contractual obligations. Please see our 2022 annual MD&A for more information.

Debt covenants

We are bound by certain covenants in our unsecured revolving credit facility. The financially related covenants place restrictions on total debt, including guarantees. As at September 30, 2023, we met these financial covenants and do not expect our operating and investment activities for the remainder of 2023 to be constrained by them.

SHARES AND STOCK OPTIONS OUTSTANDING

At October 27, 2023, we had:

- 433,865,437 common shares and one Class B share outstanding
- 1,706,604 stock options outstanding, with exercise prices ranging from \$11.32 to \$16.38

DIVIDEND

Our board of directors declared a 2023 annual dividend of \$0.12 per common share, payable on December 15, 2023, to shareholders of record on November 30, 2023.

The decision to declare an annual dividend is reviewed regularly by our board in the context of our cash flow, financial position, strategy and other relevant factors, including appropriate alignment with the cyclical nature of our earnings. In 2022, the board increased the dividend by 50% to reflect the expected improvement in our financial performance as we began the transition to our tier-one run rate. Until such time as we return to our tier-one cost structure, the objective of our capital allocation will be to ensure we have the financial capacity to execute on our strategy, including achieving production at McArthur River/Key Lake in accordance with our plan and closing the pending acquisition of Westinghouse. We will continue to navigate by our investment-grade rating through close management of our balance sheet metrics, maintaining sufficient liquidity to meet our risk-mitigated working cash target and that allows us to pursue other value-adding opportunities.

OFF-BALANCE SHEET ARRANGEMENTS

We had three kinds of off-balance sheet arrangements at September 30, 2023:

- purchase commitments
- financial assurances
- other arrangements

Purchase commitments

We make purchases under long-term contracts where it is beneficial for us to do so and in order to support our long-term contract portfolio. The following table is based on our purchase commitments in our uranium and fuel services segments at September 30, 2023,² but does not include purchases of our share of Inkai production. These commitments include a mix of fixed-price and market-related contracts. Actual payments will be different as a result of changes to our purchase commitments and, in the case of contracts with market-related pricing, the market prices in effect at the time of delivery. We will update this table as required in our MD&A to reflect material changes to our purchase commitments and changes in the prices used to estimate our commitments under market-related contracts.

SEPTEMBER 30 (\$ MILLIONS)	2023	2024 AND 2025	2026 AND 2027	2028 AND BEYOND	TOTAL
Purchase commitments ^{1,2}	266	117	158	17	558

¹Denominated in US dollars and Japanese yen, converted from US dollars to Canadian dollars at the rate of 1.33 and from Japanese yen to Canadian dollars at the rate of \$0.01.

²These amounts have been adjusted for any additional purchase commitments that we have entered into since September 30, 2023, but does not include deliveries taken under contract since September 30, 2023.

We have commitments of \$558 million (Cdn) for the following:

- approximately 9.2 million pounds of U₃O₈ equivalent from 2023 to 2028
- approximately 0.5 million kgU as UF₆ in conversion services from 2023 to 2024
- about 0.5 million Separative Work Units (SWU) of enrichment services to meet existing forward sales commitments under agreements with a non-Western supplier

The suppliers do not have the right to terminate agreements other than pursuant to customary events of default provisions.

Financial assurances

At September 30, 2023, our financial assurances totaled \$1.5 billion, up from \$1.4 billion at June 30, 2023, due a stronger US dollar.

Other arrangements

We have arranged for standby product loan facilities with various counterparties. The arrangements allow us to borrow up to 2.2 million kgU of UF₆ conversion services and 4.0 million pounds of U₃O₈ over the period 2020 to 2026 with repayment in kind up to December 31, 2026. Under the loan facilities, standby fees of up to 1% are payable based on the market value of the facilities and interest is payable on the market value of any amounts drawn at rates ranging from 0.5% to 2.0%. At September 30, 2023, we have 1.8 million kgU of UF₆ conversion services and 2.1 million pounds of U₃O₈ drawn on the loans.

BALANCE SHEET

(\$ MILLIONS)	SEP 30, 2023	DEC 31, 2022	CHANGE
Cash, cash equivalents and short-term investments	2,668	2,282	17%
Total debt	998	997	-
Inventory	509	665	(23)%

Total cash, cash equivalents and short-term investments at September 30, 2023 were \$2.7 billion, or 17% higher than at December 31, 2022, due to strong earnings, the receipt of the \$86 million refund from CRA, the receipt of \$79 million (US) of dividend payments from JV Inkai as well as \$95 million of interest received during the first nine months of the year. Net debt at September 30, 2023, was negative \$1.7 billion.

Total product inventories are \$509 million compared to \$665 million at the end of 2022. Inventories decreased due to sales being higher than production and purchases in the first nine months of the year. The average cost for uranium has increased to \$45.48 per pound compared to \$43.45 per pound at December 31, 2022. As of September 30, 2023, we held an inventory of 7.5 million pounds of U₃O₈ equivalent (excluding broken ore) (December 31, 2022 - 12.4 million pounds). Inventory varies from quarter to quarter depending on the timing of production, purchases and sales deliveries in the year.

Financial results by segment

Uranium

HIGHLIGHTS	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2023	2022	CHANGE	2023	2022	CHANGE
Production volume (million lbs)	3.0	2.0	50%	11.9	6.6	80%
Sales volume (million lbs)	7.0	5.3	32%	22.2	18.7	19%
Average spot price (\$US/lb)	62.63	49.13	27%	55.95	49.77	12%
Average long-term price (\$US/lb)	59.13	51.33	15%	55.60	49.11	13%
Average realized price (\$US/lb)	52.57	46.30	14%	48.62	45.34	7%
Average realized price (\$Cdn/lb)	70.30	59.65	18%	65.40	57.84	13%
Average unit cost of sales (including D&A) (\$Cdn/lb)	50.36	56.08	(10)%	49.68	52.67	(6)%
Revenue (\$ millions)	489	313	56%	1,452	1,083	34%
Gross profit (\$ millions)	139	19	>100%	349	97	>100%
Gross profit (%)	28	6	>100%	24	9	>100%

THIRD QUARTER

Production during the quarter was 3.0 million pounds, 50% higher than the third quarter of 2022. See *Uranium 2023 Q3 updates* starting on page 27 for more information.

Uranium revenues this quarter were up 56% compared to 2022 due to a 32% increase in sales volume due to the timing of sales, which were in line with the delivery pattern disclosed in our annual MD&A, and an increase of 18% in the Canadian dollar average realized price. While the US dollar average realized price increased by 14%, the Canadian dollar average realized price increased by 18% as a result of a weakening of the Canadian dollar. For more information on the impact of spot price changes on average realized price, see *Price sensitivity analysis: uranium segment* on page 19.

Total cost of sales (including D&A) increased by 19% (\$351 million compared to \$295 million in 2022) due to a 32% increase in sales volume which was partially offset by a unit cost of sales that was 10% lower than the same period last year. Unit cost of sales was lower in 2023 due primarily to a decrease in operational readiness costs at McArthur River and Key Lake operations.

The net effect was a \$120 million increase in gross profit for the quarter.

Equity earnings from investee, JV Inkai, were \$35 million in the third quarter compared to \$9 million in same period last year.

FIRST NINE MONTHS

Production volumes for the first nine months of the year were 80% higher than in the previous year. See *Uranium 2023 Q3 updates* starting on page 27 for more information.

Uranium revenues increased 34% compared to the first nine months of 2022 due to a 19% increase in sales volumes and an increase of 13% in the Canadian dollar average realized price as a result of the impact of the increase in the average US dollar spot price on market-related contracts as well as the weakening of the Canadian dollar. For more information on the impact of spot price changes on average realized price, see *Price sensitivity analysis: uranium segment* on page 19.

Total cost of sales (including D&A) increased by 12% (\$1.1 billion compared to \$986 million in 2022) primarily as a result of a 19% increase in sales volume partially offset by a unit cost of sales that was 6% lower than the same period last year. Unit cost of sales was lower in 2023 due to higher operational readiness costs at McArthur River and Key Lake operations in 2022 slightly offset by the higher cost of purchased material in 2023 compared to the same period in 2022.

The net effect was a \$252 million increase in gross profit for the first nine months.

Equity earnings from investee, JV Inkai, were \$100 million for the first nine months compared to \$78 million for the same period last year.

The table below shows the costs of produced and purchased uranium incurred in the reporting periods (which are non-IFRS measures, see the paragraphs below the table). These costs do not include care and maintenance costs, selling costs such as royalties, transportation and commissions, nor do they reflect the impact of opening inventories on our reported cost of sales.

(\$CDN/LB)	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2023	2022	CHANGE	2023	2022	CHANGE
Produced						
Cash cost	32.37	22.08	47%	25.60	19.10	34%
Non-cash cost	12.24	17.68	(31)%	11.92	16.82	(29)%
Total production cost ¹	44.61	39.76	12%	37.52	35.92	4%
Quantity produced (million lbs) ¹	3.0	2.0	50%	11.9	6.6	80%
Purchased						
Cash cost	79.14	46.25	71%	69.88	48.71	43%
Quantity purchased (million lbs) ¹	0.8	4.6	(83)%	5.0	12.5	(60)%
Totals						
Produced and purchased costs	51.88	44.28	17%	47.09	44.29	6%
Quantities produced and purchased (million lbs)	3.8	6.6	(42)%	16.9	19.1	(12)%

¹ Due to equity accounting, our share of production from JV Inkai is shown as a purchase at the time of delivery. These purchases will fluctuate during the quarters and timing of purchases will not match production. There were no purchases during the quarter. In the first nine months of 2023, we purchased 1.4 million pounds of material produced in 2022 at a purchase price per pound of \$66.51 (\$48.69 (US)).

The average cash cost of production was 47% higher for the quarter compared to the same period in 2022. For the first nine months, the average cash cost of production was 34% higher than in the same period in 2022. In 2023, with McArthur River/Key Lake ramping up production, inflationary pressure, the availability of personnel with the necessary skills and experience, and supply chain challenges with the availability of materials and reagents, our annual cash cost of production is expected to be higher than the average life of mine operating costs noted in our most recent annual information form: approximately \$16 per pound at McArthur River/Key Lake and approximately \$18 per pound at Cigar Lake.

We equity account for our share of JV Inkai. As a result, we record our share of its production as a purchase, which under Kazakhstan's pricing regulations, requires we purchase the material at a price equal to the uranium spot price, less a 5% discount. However, this does not reflect the economic benefit to Cameco. Our share of the economic benefit is based on the difference between our purchase price and JV Inkai's lower production cost and is reflected in the line item on our statement of earnings called, "share of earnings from equity-accounted investee." This benefit is realized through payment of a cash dividend by JV Inkai. Excess cash, net of working capital requirements is distributed to the partners as dividends. If there is a significant disruption to JV Inkai's operations for any reason, it may not achieve its production plans, there may be a delay in production, and it may experience increased costs to produce uranium.

Although purchased pounds are transacted in US dollars, we account for the purchases in Canadian dollars. In the third quarter, the average cash cost of purchased material was \$79.14 (Cdn) per pound, or \$59.26 (US) per pound, compared to \$46.25 (Cdn) per pound, or \$35.99 (US) per pound in the third quarter of 2022. For the first nine months, the average cash cost of purchased material was \$69.88 (Cdn), or \$51.58 (US) per pound, compared to \$48.71 (Cdn), or \$38.18 (US) per pound in the same period in 2022. As a result, the average cash cost of purchased material in Canadian dollar terms increased by 71% this quarter and increased by 43% for the nine months compared to the same periods last year.

Cash cost per pound, non-cash cost per pound and total cost per pound for produced and purchased uranium presented in the above table are non-IFRS measures. These measures do not have a standardized meaning or a consistent basis of calculation under IFRS. We use these measures in our assessment of the performance of our uranium business. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance and ability to generate cash flow.

These measures are non-standard supplemental information and should not be considered in isolation or as a substitute for measures of performance prepared according to accounting standards. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate these measures differently, so you may not be able to make a direct comparison to similar measures presented by other companies.

To facilitate a better understanding of these measures, the following table presents a reconciliation of these measures to our unit cost of sales for the third quarter and the first nine months of 2023 and 2022.

Cash and total cost per pound reconciliation

(\$ MILLIONS)	THREE MONTHS ENDED SEPTEMBER 30		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Cost of product sold	304.6	257.7	959.1	868.5
Add / (subtract)				
Royalties	(22.3)	(6.5)	(61.0)	(21.4)
Care and maintenance and operational readiness costs	(12.1)	(53.7)	(35.2)	(143.0)
Other selling costs	(3.0)	(0.5)	(7.1)	(3.9)
Change in inventories	(106.8)	59.9	(201.8)	34.7
Cash operating costs (a)	160.4	256.9	654.0	734.9
Add / (subtract)				
Depreciation and amortization	46.0	36.9	143.9	117.6
Care and maintenance and operational readiness costs	(0.8)	(10.0)	(3.4)	(32.4)
Change in inventories	(8.5)	8.5	1.3	25.8
Total operating costs (b)	197.1	292.3	795.8	845.9
Uranium produced & purchased (million lbs) (c)	3.8	6.6	16.9	19.1
Cash costs per pound (a ÷ c)	42.21	38.92	38.70	38.48
Total costs per pound (b ÷ c)	51.88	44.28	47.09	44.29

Fuel services

(includes results for UF₆, UO₂, UO₃ and fuel fabrication)

HIGHLIGHTS	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30		
	2023	2022	CHANGE	2023	2022	CHANGE
Production volume (million kgU)	2.0	1.5	33%	9.6	9.3	3%
Sales volume (million kgU)	2.1	2.3	(9)%	7.8	7.3	7%
Average realized price (\$Cdn/kgU)	39.87	33.43	19%	37.44	34.39	9%
Average unit cost of sales (including D&A) (\$Cdn/kgU)	33.00	29.43	12%	26.59	23.99	11%
Revenue (\$ millions)	86	75	15%	291	250	16%
Gross profit (\$ millions)	15	9	67%	84	76	11%
Gross profit (%)	17	12	42%	29	30	(3)%

THIRD QUARTER

Total revenue for the third quarter of 2023 increased by 15% from \$75 million in the same period last year to \$86 million. This was due primarily to a 19% increase in average realized price compared to 2022 partially offset by a 9% decrease in sales volumes. Average realized price increased mainly due to increased prices for UF₆ due to market conditions.

The total cost of products and services sold (including D&A) increased 8% (\$71 million compared to \$66 million in 2022) due to an increase of 12% in the average unit cost of sales which was partially offset by the 9% decrease in sales volume. Unit cost of sales increased mainly as a result of higher input costs.

The net effect was a \$6 million increase in gross profit.

FIRST NINE MONTHS

In the first nine months of the year, total revenue increased 16% to \$291 million from \$250 million for the same period last year due to a 7% increase in sales volumes and a 9% increase in realized price. The increase in average realized price was mainly the result of increased prices due to market conditions.

The total cost of products and services sold (including D&A) increased 19% (\$207 million compared to \$174 million in 2022) due to the 7% increase in sales volume and an 11% increase in the average unit cost of sales due to higher input costs.

The net effect was an \$8 million increase in gross profit.

Our operations

Uranium – production overview

Production volumes reflect our increased ownership interest in Cigar Lake of 54.547% as of May 19, 2022 (previously 50.025%).

We had 3.0 million pounds of production (our share) in the third quarter and 11.9 million pounds production (our share) in the first nine months of 2023, compared to 2.0 million pounds and 6.6 million pounds in the same periods of 2022. In 2022, there was no production from McArthur River and Key Lake until the fourth quarter.

We continue to evaluate the optimal mix of production, inventory and purchases in order to retain the flexibility to deliver long-term value.

URANIUM PRODUCTION

OUR SHARE (MILLION LBS)	THREE MONTHS ENDED SEPTEMBER 30			NINE MONTHS ENDED SEPTEMBER 30			2023 PLAN
	2023	2022	CHANGE	2023	2022	CHANGE	
Cigar Lake	1.4	2.0	(30)%	5.6	6.6	(15)%	8.9 ¹
McArthur River/Key Lake	1.6	-	-	6.3	-	-	9.8 ²
Total	3.0	2.0	50%	11.9	6.6	80%	18.7

¹During the third quarter, we updated our Cigar Lake production forecast to up to 16.3 million pounds (100% basis) in 2023 (previously 18 million pounds).

²During the third quarter, we updated our McArthur River/Key Lake production forecast to 14 million pounds (100% basis) in 2023 (previously 15 million pounds).

Inflation, the availability of personnel with the necessary skills and experience, aging infrastructure, and the impact of supply chain challenges on the availability of materials and reagents carry with them the risk that we do not achieve our production plans and/or, experience production delays and increased costs. Additionally, with the extended period of time the McArthur River/Key Lake assets were on care and maintenance, the operational changes that have been made, and commissioning issues that we worked through at the mill in 2022, there is continued uncertainty regarding the timing of a successful ramp up to planned production and the associated costs.

Uranium 2023 Q3 updates

PRODUCTION UPDATE

McArthur River/Key Lake

The McArthur River and Key Lake operation was in a state of safe care and maintenance from 2018 through 2021 due to weak market conditions. The operation began transitioning back to production through the first three quarters of 2022, with no packaged pounds until the fourth quarter. Production ramp-up activities continue in 2023.

In the third quarter of 2023, total packaged production from McArthur River and Key Lake was 2.3 million pounds (1.6 million pounds our share). Our share of production in the first nine months of 2023 was 6.3 million pounds.

As announced on September 3, 2023, we now expect packaged production of 14 million pounds (9.8 million pounds our share) in 2023 (previously 15 million pounds or 10.5 million pounds our share). Challenges at the Key Lake mill related to length of time the facility was in care and maintenance, the operational changes that were implemented throughout the mill, availability of personnel with the necessary skills and experience, and the impact of supply chain challenges on the availability of materials and reagents have resulted in lower expected production for 2023. The McArthur River mine continues to operate well and is expected to achieve its planned mine production for the year. Any ore from McArthur River that is not immediately processed at Key Lake will be stored in inventory for future milling.

We continue to expect production of 18 million pounds (12.6 million pounds our share) in 2024.

The collective agreement with the United Steelworkers Local 8914 expired in December 2022, and we are in negotiations to reach a new agreement. As in the past, work continues under the terms of the expired collective agreement while negotiations proceed. There is a risk to the production plan if we are unable to reach an agreement and there is a labour disruption.

In October 2023, the Canadian Nuclear Safety Commission (CNSC) granted 20-year renewals to the licences for both McArthur River and Key Lake. The renewed licences are expected to allow McArthur River and Key Lake to operate until October 2043.

Cigar Lake

Total packaged production from Cigar Lake was 2.6 million pounds (1.4 million pounds our share) in the third quarter of 2023 compared to 3.6 million pounds (2.0 million pounds our share) in the third quarter of 2022. Our share of production in the first nine months of 2023 was 5.6 million pounds compared to 6.6 million pounds in the first nine months of 2022.

As announced on September 3, 2023, we now expect production of up to 16.3 million pounds (up to 8.9 million pounds our share) at Cigar Lake in 2023 (previously 18.0 million pounds or 9.8 million pounds our share). In our second quarter MD&A we noted that productivity had been impacted as we completed development and commissioning activities and achieved first production from a new mining area. We had expected to recover from these delays in the second half of the year. However, in the third quarter, we determined maintenance work was required on one of the underground circuits, which had not been planned. The additional time required to complete this work does not allow for the delayed production volumes to be recovered prior to year-end.

The 2023 annual planned maintenance shutdown, including the unplanned work, was completed by the end of September. All objectives of the maintenance shutdown were achieved, and normal production activities have resumed.

We continue to expect 18.0 million pounds (9.8 million pounds our share) in 2024.

Inkai

Production on a 100% basis was 2.0 million pounds for the quarter and 6.3 million pounds for the first nine months of the year, compared to 2.3 million pounds and 5.8 million pounds in the same periods last year.

Based on an adjustment to the production purchase entitlement under the 2016 JV Inkai restructuring agreement, we are entitled to purchase 4.2 million pounds, or 50% of JV Inkai's planned 2023 production of 8.3 million pounds.

Due to equity accounting, our share of production is shown as a purchase at a discount to the spot price and included in inventory at this value at the time of delivery. Our share of the profits earned by JV Inkai on the sale of its production to the JV partners is included in "share of earnings from equity-accounted investee" on our consolidated statement of earnings. Excess cash, net of working capital requirements is distributed to the partners as dividends.

Achievement of JV Inkai's 2023 production forecast requires it to continue to successfully manage several ongoing risks, including the potential impact of procurement and supply chain issues, and inflationary pressures on its production materials and reagents. If there is a significant disruption to JV Inkai's operations for any reason, it may not achieve its production plans, there may be a delay in production, and it may experience increased costs to produce uranium.

The geopolitical situation continues to cause transportation risks in the region. The first shipment containing approximately two thirds of our share of Inkai's 2023 production is currently in transit. We expect the shipment to arrive before the end of 2023. The second shipment with remaining volume of our share of 2023 production is expected to depart before the end of the year and arrive in early 2024. We continue to work closely with JV Inkai and our joint venture partner, Kazatomprom, to receive our share of production via the Trans-Caspian International Transport Route, which does not rely on Russian rail lines or ports. We could experience further delays to our expected Inkai deliveries this year if transportation using this shipping route takes longer than anticipated. To mitigate the risk of delays, we have inventory, long-term purchase agreements and loan arrangements in place we can draw on. Depending on when we receive shipments of our share of Inkai's production, our share of earnings from this equity-accounted investee and the timing of the receipt of our share of dividends from the joint venture may be impacted.

TIER-TWO CURTAILED OPERATIONS

US ISR Operations

As a result of our 2016 curtailment decision, commercial production has ceased. As production is suspended, we expect ongoing cash and non-cash care and maintenance costs to range between \$14 million (US) and \$16 million (US) for 2023.

Rabbit Lake

Rabbit Lake remains in a safe state of care and maintenance following the suspension of production in 2016. We continue to evaluate opportunities to minimize care and maintenance costs and expect these costs to range between \$27 million and \$32 million for 2023.

In October 2023, the CNSC granted a 15-year renewal to the licence for Rabbit Lake. The renewed licence is expected to allow Rabbit Lake to operate until October 2038 once it has resumed operations.

Fuel services 2023 Q3 updates

PORT HOPE CONVERSION SERVICES

CAMECO FUEL MANUFACTURING INC. (CFM)

Production update

Fuel services produced 2.0 million kgU in the third quarter of 2023, 33% higher than the third quarter last year, and 9.6 million kgU in the first nine months, which was 3% higher than the same period last year.

In our fuel services segment, which includes the production of UO₂, UF₆ and heavy water reactor fuel bundles, we expect to produce between 13 million and 14 million kgU of combined fuel services products in 2023 (outlook and production results are not disclosed by individual product line).

In addition, at our Port Hope UF₆ conversion facility we are working on increasing annual production to 12,000 tonnes in 2024 to satisfy our book of long-term commitments and demand for conversion services.

Pending acquisition of Westinghouse

As announced on October 11, 2022, we entered into a strategic partnership with Brookfield and its publicly listed affiliate Brookfield Renewable Partners (Brookfield) and its institutional partners to acquire Westinghouse, a global provider of mission-critical and specialized technologies, products and services across most phases of the nuclear power sector. Brookfield, with its institutional partners, will beneficially own a 51% interest in Westinghouse and Cameco will beneficially own 49%. Bringing together Cameco's expertise in the nuclear industry with Brookfield's expertise in clean energy positions nuclear power at the heart of the energy transition and creates a powerful platform for strategic growth across the nuclear sector.

We continue to work on closing the acquisition by the end of 2023. Closing is subject to the receipt of the remaining required approvals and other closing conditions. The final financing, our share of which will be approximately \$2.2 billion (US), will be determined based on our cash balance, cash flow generation, and market conditions at the time of close. We expect a permanent financing mix of capital sources, including cash, debt and equity, designed to preserve our balance sheet and ratings strength, while maintaining healthy liquidity. See our 2022 annual MD&A for more information.

Caution about forward-looking information relating to the Westinghouse acquisition

This discussion of our expectations for the Westinghouse acquisition, including sources and uses of financing for the acquisition, timeline for the acquisition, including anticipated closing date, is forward-looking information that is based upon the assumptions and subject to the material risks discussed under the headings *Caution about forward-looking information* beginning on page 2, and in our October 18, 2022, material change report. The material change report is available at www.sedarplus.ca and www.sec.gov. Actual results and events may be significantly different from what we currently expect.

Qualified persons

The technical and scientific information discussed in this document for our material properties (McArthur River/Key Lake, Inkai and Cigar Lake) was approved by the following individuals who are qualified persons for the purposes of NI 43-101:

MCARTHUR RIVER/KEY LAKE

- Greg Murdock, general manager, McArthur River, Cameco
- Daley McIntyre, general manager, Key Lake, Cameco

INKAI

- Sergey Ivanov, deputy general director, technical services, Cameco Kazakhstan LLP

CIGAR LAKE

- Lloyd Rowson, general manager, Cigar Lake, Cameco

Additional information

Critical accounting estimates

Due to the nature of our business, we are required to make estimates that affect the amount of assets and liabilities, revenues and expenses, commitments and contingencies we report. We base our estimates on our experience, our best judgment, guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum and on assumptions we believe are reasonable.

Purchase prices related to business combinations and asset acquisitions are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires us to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts our reported assets and liabilities, future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Controls and procedures

As of September 30, 2023, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer (CEO) and chief financial officer (CFO), of the effectiveness of our disclosure controls and procedures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based upon that evaluation and as of September 30, 2023, the CEO and CFO concluded that:

- the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under applicable securities laws is recorded, processed, summarized and reported as and when required
- such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



Cameco Corporation
2023 condensed consolidated interim financial statements
(unaudited)

October 30, 2023

Cameco Corporation

Consolidated statements of earnings

(Unaudited) (\$Cdn thousands, except per share amounts)	Note	Three months ended		Nine months ended	
		Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Revenue from products and services	11	\$ 575,079	\$ 388,659	\$ 1,744,041	\$ 1,344,274
Cost of products and services sold		367,302	315,937	1,140,886	1,026,997
Depreciation and amortization		55,987	47,574	174,212	149,372
Cost of sales	19	423,289	363,511	1,315,098	1,176,369
Gross profit		151,790	25,148	428,943	167,905
Administration		65,510	61,141	186,569	142,768
Exploration		4,106	3,246	14,262	8,168
Research and development		7,850	3,130	17,189	9,296
Other operating income	9	(61,304)	(24,643)	(54,962)	(65,283)
Loss (gain) on disposal of assets		92	(448)	368	(660)
Earnings (loss) from operations		135,536	(17,278)	265,517	73,616
Finance costs	12	(22,960)	(23,277)	(69,302)	(62,376)
Loss on derivatives	18	(47,092)	(73,114)	(16,093)	(91,402)
Finance income		33,986	9,457	92,625	15,886
Share of earnings from equity-accounted investee	7	35,466	8,685	99,728	78,213
Other income	13	53,694	50,876	8,073	90,791
Earnings (loss) before income taxes		188,630	(44,651)	380,548	104,728
Income tax expense (recovery)	14	40,563	(25,117)	99,825	41
Net earnings (loss)		148,067	(19,534)	280,723	104,687
Net earnings (loss) attributable to:					
Equity holders		\$ 148,080	\$ (19,530)	\$ 280,741	\$ 104,799
Non-controlling interest		(13)	(4)	(18)	(112)
Net earnings (loss)		\$ 148,067	\$ (19,534)	\$ 280,723	\$ 104,687
Earnings (loss) per common share attributable to equity holders:					
Basic	15	\$ 0.34	\$ (0.05)	\$ 0.65	\$ 0.26
Diluted	15	\$ 0.34	\$ (0.05)	\$ 0.65	\$ 0.26

See accompanying notes to condensed consolidated interim financial statements.

Cameco Corporation

Consolidated statements of comprehensive earnings

(Unaudited) (\$Cdn thousands)	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Net earnings (loss)	\$ 148,067	\$ (19,534)	\$ 280,723	\$ 104,687
Other comprehensive loss, net of taxes				
Items that are or may be reclassified to net earnings:				
Exchange differences on translation of foreign operations	(21,279)	(32,473)	(25,180)	(66,697)
Other comprehensive loss, net of taxes	(21,279)	(32,473)	(25,180)	(66,697)
Total comprehensive income (loss)	\$ 126,788	\$ (52,007)	\$ 255,543	\$ 37,990
Other comprehensive income (loss) attributable to:				
Equity holders	\$ (21,279)	\$ (32,474)	\$ (25,180)	\$ (66,700)
Non-controlling interest	-	1	-	3
Other comprehensive loss	\$ (21,279)	\$ (32,473)	\$ (25,180)	\$ (66,697)
Total comprehensive income (loss) attributable to:				
Equity holders	\$ 126,801	\$ (52,004)	\$ 255,561	\$ 38,099
Non-controlling interest	(13)	(3)	(18)	(109)
Total comprehensive income (loss)	\$ 126,788	\$ (52,007)	\$ 255,543	\$ 37,990

See accompanying notes to condensed consolidated interim financial statements.

Cameco Corporation

Consolidated statements of financial position

(Unaudited) (\$Cdn thousands)	Note	As at	
		Sep 30/23	Dec 31/22
Assets			
Current assets			
Cash and cash equivalents		\$ 2,667,715	\$ 1,143,674
Short-term investments		-	1,138,174
Accounts receivable		297,683	183,944
Current tax assets		2,760	1,056
Inventories	5	508,678	664,698
Supplies and prepaid expenses		200,457	157,910
Current portion of long-term receivables, investments and other	6	1,685	32,180
Total current assets		3,678,978	3,321,636
Property, plant and equipment		3,322,377	3,473,490
Intangible assets		44,397	47,117
Long-term receivables, investments and other	6	570,244	595,507
Investment in equity-accounted investee	7	194,785	210,972
Deferred tax assets		909,429	984,071
Total non-current assets		5,041,232	5,311,157
Total assets		\$ 8,720,210	\$ 8,632,793
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		261,805	374,714
Current tax liabilities		17,727	6,498
Current portion of long-term debt		499,717	-
Current portion of other liabilities	8	130,745	131,324
Current portion of provisions	9	46,376	48,305
Total current liabilities		956,370	560,841
Long-term debt		497,865	997,000
Other liabilities	8	249,015	216,162
Provisions	9	906,063	1,022,725
Total non-current liabilities		1,652,943	2,235,887
Shareholders' equity			
Share capital	10	2,908,411	2,880,336
Contributed surplus		215,874	224,687
Retained earnings		2,977,123	2,696,379
Other components of equity		9,472	34,652
Total shareholders' equity attributable to equity holders		6,110,880	5,836,054
Non-controlling interest		17	11
Total shareholders' equity		6,110,897	5,836,065
Total liabilities and shareholders' equity		\$ 8,720,210	\$ 8,632,793

Commitments and contingencies [notes 9, 14, 21]

See accompanying notes to condensed consolidated interim financial statements.

Cameco Corporation

Consolidated statements of changes in equity

(Unaudited) (\$Cdn thousands)	Attributable to equity holders						Non- controlling interest	Total equity
	Share capital	Contributed surplus	Retained earnings	Foreign currency translation	Equity investments at FVOCI	Total		
Balance at January 1, 2023	\$ 2,880,336	\$ 224,687	\$ 2,696,379	\$ 35,400	\$ (748)	\$ 5,836,054	\$ 11	\$ 5,836,065
Net earnings (loss)	-	-	280,741	-	-	280,741	(18)	280,723
Other comprehensive loss	-	-	-	(25,180)	-	(25,180)	-	(25,180)
Total comprehensive income (loss) for the period	-	-	280,741	(25,180)	-	255,561	(18)	255,543
Share-based compensation	-	2,710	-	-	-	2,710	-	2,710
Stock options exercised	28,075	(5,114)	-	-	-	22,961	-	22,961
Restricted share units released	-	(6,409)	-	-	-	(6,409)	-	(6,409)
Dividends	-	-	3	-	-	3	-	3
Transactions with owners - contributed equity	-	-	-	-	-	-	24	24
Balance at September 30, 2023	\$ 2,908,411	\$ 215,874	\$ 2,977,123	\$ 10,220	\$ (748)	\$ 6,110,880	\$ 17	\$ 6,110,897
Balance at January 1, 2022	\$ 1,903,357	\$ 230,039	\$ 2,639,650	\$ 73,543	\$ (748)	\$ 4,845,841	\$ 127	\$ 4,845,968
Net earnings (loss)	-	-	104,799	-	-	104,799	(112)	104,687
Other comprehensive income (loss)	-	-	-	(66,700)	-	(66,700)	3	(66,697)
Total comprehensive income (loss) for the period	-	-	104,799	(66,700)	-	38,099	(109)	37,990
Share-based compensation	-	2,425	-	-	-	2,425	-	2,425
Stock options exercised	11,664	(2,389)	-	-	-	9,275	-	9,275
Restricted share units released	-	(6,201)	-	-	-	(6,201)	-	(6,201)
Dividends	-	-	3	-	-	3	-	3
Balance at September 30, 2022	\$ 1,915,021	\$ 223,874	\$ 2,744,452	\$ 6,843	\$ (748)	\$ 4,889,442	\$ 18	\$ 4,889,460

See accompanying notes to condensed consolidated interim financial statements.

Cameco Corporation

Consolidated statements of cash flows

(Unaudited) (\$Cdn thousands)	Note	Three months ended		Nine months ended	
		Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Operating activities					
Net earnings (loss)		\$ 148,067	\$ (19,534)	\$ 280,723	\$ 104,687
Adjustments for:					
Depreciation and amortization		55,987	47,574	174,212	149,372
Deferred charges		9,220	30,038	(11,992)	49,261
Unrealized loss on derivatives		43,007	76,177	2,124	101,599
Share-based compensation	17	949	846	2,710	2,425
Loss (gain) on disposal of assets		92	(448)	368	(660)
Finance costs	12	22,960	23,277	69,302	62,376
Finance income		(33,986)	(9,457)	(92,625)	(15,886)
Share of earnings in equity-accounted investee		(35,466)	(8,685)	(99,728)	(78,213)
Other operating income	9	(61,304)	(24,643)	(54,962)	(65,283)
Other expense (income)	13	(53,694)	(50,876)	(8,073)	(90,791)
Income tax expense (recovery)	14	40,563	(25,117)	99,825	41
Interest received		33,986	7,366	94,752	13,386
Income taxes received (paid)		(1,155)	123	70,450	(235)
Dividends from equity-accounted investee		-	-	113,642	104,943
Other operating items	16	15,561	(93,235)	(153,871)	(109,872)
Net cash provided by (used in) operations		184,787	(46,594)	486,857	227,150
Investing activities					
Additions to property, plant and equipment		(43,142)	(43,233)	(110,037)	(109,304)
Acquisitions [note 4]		-	-	-	(101,669)
Decrease (increase) in short-term investments		19,507	(40,097)	1,136,687	(317,096)
Decrease (increase) in long-term receivables, investments and other		-	-	1,000	(2,000)
Proceeds from sale of property, plant and equipment		-	448	36	726
Net cash provided by (used in) investing		(23,635)	(82,882)	1,027,686	(529,343)
Financing activities					
Interest paid		(1,465)	(430)	(21,263)	(19,802)
Lease principal payments		(721)	(931)	(1,625)	(2,096)
Proceeds from issuance of shares, stock option plan		8,912	79	22,961	9,275
Dividends returned		-	-	4	5
Net cash provided by (used in) financing		6,726	(1,282)	77	(12,618)
Increase (decrease) in cash and cash equivalents, during the period		167,878	(130,758)	1,514,620	(314,811)
Exchange rate changes on foreign currency cash balances		45,877	8,458	9,421	9,472
Cash and cash equivalents, beginning of period		2,453,960	1,064,408	1,143,674	1,247,447
Cash and cash equivalents, end of period		\$ 2,667,715	\$ 942,108	\$ 2,667,715	\$ 942,108
Cash and cash equivalents is comprised of:					
Cash				969,052	697,410
Cash equivalents				1,698,663	244,698
Cash and cash equivalents				\$ 2,667,715	\$ 942,108

See accompanying notes to condensed consolidated interim financial statements.

Cameco Corporation

Notes to condensed consolidated interim financial statements

(Unaudited)

(Cdn\$ thousands, except per share amounts and as noted)

1. Cameco Corporation

Cameco Corporation is incorporated under the Canada Business Corporations Act. The address of its registered office is 2121 11th Street West, Saskatoon, Saskatchewan, S7M 1J3. The condensed consolidated interim financial statements as at and for the period ended September 30, 2023 comprise Cameco Corporation and its subsidiaries (collectively, the Company or Cameco) and the Company's interests in associates and joint arrangements.

Cameco is one of the world's largest providers of the uranium needed to generate clean, reliable baseload electricity around the globe. The Company has mines in northern Saskatchewan and the United States, as well as a 40% interest in Joint Venture Inkai LLP (JV Inkai), a joint arrangement with Joint Stock Company National Atomic Company Kazatomprom (Kazatomprom), located in Kazakhstan. JV Inkai is accounted for on an equity basis (see note 7).

Cameco has two operating mines, Cigar Lake and McArthur River. Operations at McArthur River/Key Lake, which had been suspended in 2018, resumed in November of 2022. The Rabbit Lake operation was placed in care and maintenance in 2016. Cameco's operations in the United States, Crow Butte and Smith Ranch-Highland, are also not currently producing as the decision was made in 2016 to curtail production and defer all wellfield development. See note 19 for the financial statement impact.

The Company is also a leading provider of nuclear fuel processing services, supplying much of the world's reactor fleet with the fuel to generate one of the cleanest sources of electricity available today. It operates the world's largest commercial refinery in Blind River, Ontario, controls a significant portion of the world UF₆ primary conversion capacity in Port Hope, Ontario and is a leading manufacturer of fuel assemblies and reactor components for CANDU reactors at facilities in Port Hope and Cobourg, Ontario.

2. Significant accounting policies

A. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with Cameco's annual consolidated financial statements as at and for the year ended December 31, 2022.

These condensed consolidated interim financial statements were authorized for issuance by the Company's board of directors on October 30, 2023.

B. Basis of presentation

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is presented in Canadian dollars, unless otherwise noted. Amounts presented in tabular format have been rounded to the nearest thousand except per share amounts and where otherwise noted.

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items which are measured on an alternative basis at each reporting date:

Derivative financial instruments	Fair value through profit or loss (FVTPL)
Equity securities	Fair value through other comprehensive income (FVOCI)
Liabilities for cash-settled share-based payment arrangements	Fair value through profit or loss (FVTPL)
Net defined benefit liability	Fair value of plan assets less the present value of the defined benefit obligation

The preparation of the condensed consolidated interim financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may vary from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5 of the December 31, 2022, consolidated financial statements.

3. Accounting standards

A. Changes in accounting policy

A number of amendments to existing standards became effective January 1, 2023, but they did not have an effect on the Company's financial statements.

i. Income taxes

In May 2023, the International Accounting Standards Board issued International Tax Reform – Pillar Two Model Rules, which amended IAS 12, *Income Taxes* (IAS 12). The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments apply to income taxes arising from changes to tax law enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. Cameco applied the temporary mandatory exception from deferred tax accounting for the top-up tax related to Pillar Two income taxes. The extent of the impact of the amendments have not yet been determined, however we do expect to include additional disclosures arising from this amendment in our consolidated annual financial statements for the year ended December 31, 2023.

B. New standards and interpretations not yet adopted

A number of amendments to existing standards are not yet effective for the period ended September 30, 2023, and have not been applied in preparing these condensed consolidated interim financial statements. Cameco does not intend to early adopt any of the amendments and does not expect them to have a material impact on its financial statements.

4. Acquisition of additional interest in Cigar Lake Joint Venture (CLJV)

On May 19, 2022, Cameco and Orano Canada Inc. (Orano) completed the acquisition of Idemitsu Canada Resources Ltd.'s (Idemitsu) 7.875% participating interest in the CLJV by acquiring their pro rata shares through an asset purchase. Cameco's ownership stake in the Cigar Lake uranium mine in northern Saskatchewan is now 54.547% (previously 50.025%). The primary reason for the business combination was to increase our ownership interest.

Cash consideration of \$101,681,000 was paid for the additional 4.522% interest. While Cameco received the economic benefit of owning the additional interest as of January 1, 2022, the additional interest was proportionately consolidated with the results of Cameco commencing on May 19, 2022.

CLJV allocates uranium production to each joint operation participant and the joint operation participant derives revenue directly from the sale of such product. Mining and milling expenses incurred by joint operations are included in the cost of inventory. As such, there is no revenue or profit or loss of the acquiree included in the consolidated statements of earnings. If the acquisition had occurred at the beginning of 2022, Cameco's share of production would have included an additional 296,000 pounds. The impact to the financial statements would not have been material.

Acquisition costs of \$1,508,000 were included in administration expense in the consolidated statements of earnings for the nine-month period ended September 30, 2022.

Included in the identifiable assets and liabilities acquired at the date of acquisition are inputs, production processes and outputs. Therefore, Cameco has determined that together the acquired set is a business. In accordance with the acquisition method of accounting, the purchase price was allocated to the underlying assets and liabilities assumed based on their fair values at the date of acquisition. Fair values were determined based on discounted cash flows and quoted market prices. The values assigned to the net assets acquired were as follows:

Property, plant and equipment	\$	97,930
Deferred tax asset		28,196
Inventory		9,909
Working capital		(24)
Reclamation provision		(2,528)
Sales contracts		(9,000)
Net assets acquired	\$	124,483
Cash paid		101,681
Bargain purchase gain [note 13]^(a)	\$	22,802

(a) The bargain purchase gain resulted from applying the measurement requirements under IFRS 3, *Business Combinations*. This standard requires the measurement of tax attributes that were acquired as part of the transaction be in accordance with IAS 12, *Income Taxes*, rather than at fair value. The measured amount of these attributes exceeded the amount paid for them and the resulting gain is included in other income (expense) in the consolidated statement of earnings.

5. Inventories

	Sep 30/23	Dec 31/22
Uranium		
Concentrate	\$ 342,699	\$ 537,426
Broken ore	50,135	46,703
	392,834	584,129
Fuel services	115,419	80,144
Other	425	425
Total	\$ 508,678	\$ 664,698

Cameco expensed \$374,819,000 of inventory as cost of sales during the third quarter of 2023 (2022 - \$282,667,000). For the nine months ended September 30, 2023, Cameco expensed \$1,170,997,000 of inventory as cost of sales (2022 - \$953,438,000).

6. Long-term receivables, investments and other

	Sep 30/23	Dec 31/22
Deferred charges	\$ -	\$ 29,585
Derivatives [note 18]	1,087	2,807
Investment tax credits	95,940	95,812
Amounts receivable related to tax dispute [note 14] ^(a)	209,125	295,221
Product loan ^(b)	263,637	200,998
Other	2,140	3,264
	571,929	627,687
Less current portion	(1,685)	(32,180)
Net	\$ 570,244	\$ 595,507

(a) Cameco was required to remit or otherwise secure 50% of the cash taxes and transfer pricing penalties, plus related interest and instalment penalties assessed, in relation to its dispute with Canada Revenue Agency (CRA). In light of our view of the likely outcome of the case, Cameco expects to recover the amounts remitted to CRA, including cash taxes, interest and penalties totalling \$209,125,000 already paid as at September 30, 2023 (December 31, 2022 - \$295,221,000). \$86,097,000 was received during the year (see note 14).

(b) Cameco loaned 5,400,000 pounds of uranium concentrate to its joint venture partner, Orano Canada Inc., (Orano). Orano was obligated to repay the Company in kind with uranium concentrate no later than December 31, 2023. During the first quarter of 2022, the repayment terms were extended to December 31, 2028. As at September 30, 2023, 3,000,000 pounds have been repaid on this loan.

Cameco also agreed to lend to Orano up to 1,148,200 kgU of conversion supply and up to an additional 1,200,000 pounds of uranium concentrate over the period 2022 to 2024. Repayment to Cameco is to be made in kind with U₃O₈ quantities drawn being repaid by December 31, 2027 and quantities of UF₆ drawn by December 31, 2035.

As at September 30, 2023, 3,300,000 pounds of U₃O₈ (December 31, 2022 - 3,571,001 pounds) and 1,148,200 kgU of UF₆ conversion supply (December 31, 2022 - 700,000 kgU) were drawn on the loans and are recorded at Cameco's weighted average cost of inventory.

7. Equity-accounted investee

JV Inkai is the operator of the Inkai uranium deposit located in Kazakhstan. JV Inkai is a uranium mining and milling operation that utilizes in-situ recovery (ISR) technology to extract uranium. The participants in JV Inkai purchase uranium from Inkai and, in turn, derive revenue directly from the sale of such product to third-party customers (see note 20). Cameco holds a 40% interest in JV Inkai and Kazatomprom holds a 60% interest. Cameco does not have control over the joint venture so it accounts for the investment on an equity basis.

The following tables summarize the financial information of JV Inkai (100%):

	Sep 30/23	Dec 31/22
Cash and cash equivalents	\$ 13,946	\$ 14,950
Other current assets	274,615	373,868
Non-current assets	335,192	334,954
Current liabilities	(27,553)	(34,606)
Non-current liabilities	(35,805)	(37,644)
Net assets	\$ 560,395	\$ 651,522

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Revenue from products and services	\$ 79,319	\$ 29,102	\$ 280,819	\$ 178,264
Cost of products and services sold	(12,531)	(5,242)	(48,725)	(28,266)
Depreciation and amortization	(4,448)	(1,382)	(16,219)	(7,736)
Finance income	423	413	991	1,003
Finance costs	(233)	(234)	(804)	(2,378)
Other expense	(1,853)	(2,383)	(16,496)	(7,339)
Income tax expense	(11,565)	(4,126)	(39,566)	(29,172)
Net earnings from continuing operations	\$ 49,112	\$ 16,148	\$ 160,000	\$ 104,376
Other comprehensive income	-	-	-	-
Total comprehensive income	\$ 49,112	\$ 16,148	\$ 160,000	\$ 104,376

The following table reconciles the summarized financial information to the carrying amount of Cameco's interest in JV Inkai:

	Sep 30/23	Dec 31/22
Opening net assets	\$ 651,522	\$ 571,542
Total comprehensive income ^(a)	160,000	278,659
Dividends declared	(238,086)	(195,865)
Impact of foreign exchange	(13,041)	(2,814)
Closing net assets	560,395	651,522
Cameco's share of net assets	224,158	260,609
Consolidating adjustments ^(b)	(45,244)	(82,275)
Fair value increment ^(c)	82,371	83,675
Dividends declared but not received	5,952	-
Dividends in excess of ownership percentage ^(d)	(74,843)	(48,641)
Impact of foreign exchange	2,391	(2,396)
Carrying amount in the statement of financial position at September 30, 2023	\$ 194,785	\$ 210,972

(a) Cameco's share of earnings from equity-accounted investee as reported on the statement of earnings does not equal its share of JV Inkai's total comprehensive income. Cameco's share of earnings also includes consolidating adjustments and amortization of the fair value increment.

(b) Cameco records certain consolidating adjustments to eliminate unrealized profit, recognize deferred profit and amortize historical differences in accounting policies. The historical differences are amortized to earnings over units of production.

(c) Upon restructuring, Cameco assigned fair values to the assets and liabilities of JV Inkai. This increment is amortized to earnings over units of production.

(d) Cameco's share of dividends follows its production purchase entitlements which is currently higher than its ownership interest.

8. Other liabilities

	Sep 30/23	Dec 31/22
Deferred sales	\$ 54,853	\$ 66,845
Derivatives [note 18]	58,746	58,342
Accrued pension and post-retirement benefit liability	68,785	66,180
Lease obligation [note 18]	8,488	9,287
Product loans ^(a)	122,098	78,094
Sales contracts [note 4]	6,314	9,000
Other	60,476	59,738
	379,760	347,486
Less current portion	(130,745)	(131,324)
Net	\$ 249,015	\$ 216,162

(a) Cameco has standby product loan facilities with various counterparties. The arrangements allow us to borrow up to 2,200,000 kgU of UF₆ conversion services and 4,026,000 pounds of U₃O₈ by September 30, 2026 with repayment in kind up to December 31, 2026. Under the facilities, standby fees of up to 1% are payable based on the market value of the facilities and interest is payable on the market value of any amounts drawn at rates ranging from 0.5% to 2.0%. At September 30, 2023, we have 1,787,000 kgU of UF₆ conversion services (December 31, 2022 - 1,529,000 kgU) drawn on the loans with repayment due by December 31 of the following years:

	2023	2024	2025	2026	Total
kgU of UF ₆	348,000	-	528,000	911,000	1,787,000

We also have 2,067,000 pounds of U₃O₈ (December 31, 2022 - 1,393,000 pounds) drawn with repayment due no later than December 31 of the following years:

	2023	2024	2025	2026	Total
lbs of U ₃ O ₈	1,194,000	-	630,000	243,000	2,067,000

The loans are recorded at Cameco's weighted average cost of inventory.

9. Provisions

	Reclamation	Waste disposal	Total
Beginning of year	\$ 1,061,096	\$ 9,934	\$ 1,071,030
Changes in estimates and discount rates			
Capitalized in property, plant, and equipment	(64,722)	-	(64,722)
Recognized in earnings	(54,962)	3,378	(51,584)
Provisions used during the period	(28,275)	(1,487)	(29,762)
Unwinding of discount	26,225	244	26,469
Impact of foreign exchange	1,008	-	1,008
End of period	\$ 940,370	\$ 12,069	\$ 952,439
Current	43,149	3,227	46,376
Non-current	897,221	8,842	906,063
	\$ 940,370	\$ 12,069	\$ 952,439

10. Share capital

At September 30, 2023, there were 433,865,437 common shares outstanding. Options in respect of 1,706,604 shares are outstanding under the stock option plan and are exercisable up to 2027. For the quarter ended September 30, 2023, there were 557,200 options that were exercised resulting in the issuance of shares (2022 - 5,500). For the nine months ended September 30, 2023, there were 1,346,967 options exercised that resulted in the issuance of shares (2022 - 383,072).

11. Revenue

Cameco's uranium and fuel services sales contracts with customers contain both fixed and market-related pricing. Fixed-price contracts are typically based on a term-price indicator at the time the contract is accepted and escalated over the term of the contract. Market-related contracts are based on either the spot price or long-term price, and the price is quoted at the time of delivery rather than at the time the contract is accepted. These contracts often include a floor and/or ceiling prices, which are usually escalated over the term of the contract. Escalation is generally based on a consumer price index. The Company's contracts contain either one of these pricing mechanisms or a combination of the two. There is no variable consideration in the contracts and therefore no revenue is considered constrained at the time of delivery. Cameco expenses the incremental costs of obtaining a contract as incurred as the amortization period is less than a year.

The following tables summarize Cameco's sales disaggregated by geographical region and contract type and includes a reconciliation to Cameco's reportable segments (note 19):

For the three months ended September 30, 2023

	Uranium	Fuel services	Other	Total
Customer geographical region				
Americas	\$ 155,819	\$ 51,527	\$ 180	\$ 207,526
Europe	198,214	26,576	-	224,790
Asia	135,348	7,415	-	142,763
	\$ 489,381	\$ 85,518	\$ 180	\$ 575,079
Contract type				
Fixed-price	\$ 179,936	\$ 76,195	\$ 180	\$ 256,311
Market-related	309,445	9,323	-	318,768
	\$ 489,381	\$ 85,518	\$ 180	\$ 575,079

For the three months ended September 30, 2022

	Uranium	Fuel services	Other	Total
Customer geographical region				
Americas	\$ 162,569	\$ 63,348	\$ -	\$ 225,917
Europe	80,813	9,566	-	90,379
Asia	69,881	2,482	-	72,363
	\$ 313,263	\$ 75,396	\$ -	\$ 388,659
Contract type				
Fixed-price	\$ 86,811	\$ 73,659	\$ -	\$ 160,470
Market-related	226,452	1,737	-	228,189
	\$ 313,263	\$ 75,396	\$ -	\$ 388,659

For the nine months ended September 30, 2023

	Uranium	Fuel services	Other	Total
Customer geographical region				
Americas	\$ 589,220	\$ 204,567	\$ 629	\$ 794,416
Europe	453,250	72,141	-	525,391
Asia	409,567	14,667	-	424,234
	\$ 1,452,037	\$ 291,375	\$ 629	\$ 1,744,041
Contract type				
Fixed-price	\$ 487,801	\$ 280,107	\$ 629	\$ 768,537
Market-related	964,236	11,268	-	975,504
	\$ 1,452,037	\$ 291,375	\$ 629	\$ 1,744,041

For the nine months ended September 30, 2022

	Uranium	Fuel services	Other	Total
Customer geographical region				
Americas	\$ 578,005	\$ 202,123	\$ 8,654	\$ 788,782
Europe	215,171	32,636	2,769	250,576
Asia	289,685	15,231	-	304,916
	\$ 1,082,861	\$ 249,990	\$ 11,423	\$ 1,344,274
Contract type				
Fixed-price	\$ 374,869	\$ 246,531	\$ 11,423	\$ 632,823
Market-related	707,992	3,459	-	711,451
	\$ 1,082,861	\$ 249,990	\$ 11,423	\$ 1,344,274

12. Finance costs

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Interest on long-term debt	\$ 10,397	\$ 10,045	\$ 31,254	\$ 29,787
Unwinding of discount on provisions	8,862	8,617	26,469	20,289
Other charges	3,701	4,615	11,579	12,300
Total	\$ 22,960	\$ 23,277	\$ 69,302	\$ 62,376

13. Other income (expense)

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Bargain purchase gain [note 4]	-	-	-	22,802
Foreign exchange gains	53,694	50,874	7,528	67,987
Other	-	2	545	2
Total	\$ 53,694	\$ 50,876	\$ 8,073	\$ 90,791

14. Income taxes

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Earnings (loss) before income taxes				
Canada	\$ 161,802	\$ (86,676)	\$ 373,253	\$ 79,062
Foreign	26,828	42,025	7,295	25,666
	\$ 188,630	\$ (44,651)	\$ 380,548	\$ 104,728
Current income taxes				
Canada	\$ 2,899	\$ 506	\$ 18,236	\$ 3,830
Foreign	2,719	1,331	6,947	6,276
	\$ 5,618	\$ 1,837	\$ 25,183	\$ 10,106
Deferred income taxes (recovery)				
Canada	\$ 35,201	\$ (27,531)	\$ 74,358	\$ (9,211)
Foreign	(256)	577	284	(854)
	\$ 34,945	\$ (26,954)	\$ 74,642	\$ (10,065)
Income tax expense (recovery)	\$ 40,563	\$ (25,117)	\$ 99,825	\$ 41

Cameco has recorded \$909,429,000 of deferred tax assets (December 31, 2022 - \$984,071,000). The realization of these deferred tax assets is dependent upon the generation of future taxable income in certain jurisdictions during the periods in which the Company's temporary tax differences are available. The Company considers whether it is probable that all or a portion of the deferred tax assets will not be realized. In making this assessment, management considers all available evidence, including recent financial operations, projected future taxable income and tax planning strategies. Based on projections of future taxable income over the periods in which the deferred tax assets are available, realization of these deferred tax assets is probable and consequently the deferred tax assets have been recorded.

Canada

On February 18, 2021, the Supreme Court of Canada (Supreme Court) dismissed Canada Revenue Agency's (CRA) application for leave to appeal the June 26, 2020 decision of the Federal Court of Appeal (Court of Appeal). The dismissal means that the dispute for the 2003, 2005 and 2006 tax years is fully and finally resolved in the Company's favour.

In September 2018, the Tax Court of Canada (Tax Court) ruled that the marketing and trading structure involving foreign subsidiaries, as well as the related transfer pricing methodology used for certain intercompany uranium sales and purchasing agreements, were in full compliance with Canadian law for the tax years in question. Management believes the principles in the decision apply to all subsequent tax years, and that the ultimate resolution of those years will not be material to Cameco's financial position, results of operations or liquidity in the year(s) of resolution. Due to a revised CRA reassessment position for certain years, CRA has released approximately \$86,000,000 of cash held on account (see note 6).

As CRA continues to pursue reassessments for tax years subsequent to 2006, Cameco is utilizing its appeal rights under Canadian federal and provincial tax rules.

15. Per share amounts

Per share amounts have been calculated based on the weighted average number of common shares outstanding during the period. The weighted average number of paid shares outstanding in 2023 was 433,180,572 (2022 - 398,389,298).

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Basic earnings (loss) per share computation				
Net earnings (loss) attributable to equity holders	\$ 148,080	\$ (19,530)	\$ 280,741	\$ 104,799
Weighted average common shares outstanding	433,587	398,439	433,181	398,389
Basic earnings (loss) per common share	\$ 0.34	\$ (0.05)	\$ 0.65	\$ 0.26
Diluted earnings (loss) per share computation				
Net earnings (loss) attributable to equity holders	\$ 148,080	\$ (19,530)	\$ 280,741	\$ 104,799
Weighted average common shares outstanding	433,587	398,439	433,181	398,389
Dilutive effect of stock options	1,547	-	1,860	1,639
Weighted average common shares outstanding, assuming dilution	435,134	398,439	435,041	400,028
Diluted earnings (loss) per common share	\$ 0.34	\$ (0.05)	\$ 0.65	\$ 0.26

(a) For the quarter ended September 30, 2022, 1,628 options were excluded from the diluted weighted average number of common shares because their inclusion would have been anti-dilutive.

16. Statements of cash flows

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Changes in non-cash working capital:				
Accounts receivable	\$ (45,386)	\$ (48,040)	\$ (116,794)	\$ 74,900
Inventories	100,628	(58,951)	171,798	(67,827)
Supplies and prepaid expenses	(15,928)	(10,538)	(42,529)	(23,494)
Accounts payable and accrued liabilities	(15,864)	12,678	(133,434)	(86,526)
Reclamation payments	(10,235)	(6,998)	(29,762)	(20,437)
Other	2,346	18,614	(3,150)	13,512
Other operating items	\$ 15,561	\$ (93,235)	\$ (153,871)	\$ (109,872)

17. Share-based compensation plans

A. Stock option plan

The aggregate number of common shares that may be issued pursuant to the Cameco stock option plan shall not exceed 43,017,198 of which 31,885,744 shares have been issued. As of September 30, 2023, the total number of stock options held by the participants was 1,706,604 (December 31, 2022 - 3,053,571).

B. Executive performance share unit (PSU)

During the quarter, the Company granted 232,160 PSUs. The weighted average fair value per unit at the date of issue was \$37.30. As of September 30, 2023, the total number of PSUs held by the participants was 828,674 (December 31, 2022 - 1,255,255).

C. Restricted share unit (RSU)

During the quarter, the Company granted 292,553 RSUs. The weighted average fair value per unit at the date of issue was \$37.30. As of September 30, 2023, the total number of RSUs held by the participants was 816,505 (December 31, 2022 - 1,131,493).

D. Deferred share unit (DSU)

As of September 30, 2023, the total number of DSUs held by participating directors was 559,776 (December 31, 2022 - 547,304).

Equity-settled plans

Cameco records compensation expense under its equity-settled plans with an offsetting credit to contributed surplus, to reflect the estimated fair value of units granted to employees. During the period, the Company recognized the following expenses under these plans:

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Restricted share unit plan	\$ 949	\$ 846	\$ 2,710	\$ 2,380
Stock option plan	-	-	-	45
	949	846	2,710	2,425
Employee share ownership plan ^(a)	1,005	827	3,052	2,538
Total	\$ 1,954	\$ 1,673	\$ 5,762	\$ 4,963

(a) The total number of shares purchased in 2023 with Company contributions was 77,233 (2022 - 56,196).

Cash-settled plans

During the period, the Company recognized the following expenses (income) under these plans:

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Performance share unit plan	\$ 6,577	\$ 9,845	\$ 17,821	\$ 15,685
Deferred share unit plan	6,900	5,119	12,846	5,194
Restricted share unit plan	5,840	6,791	15,243	10,113
Phantom stock option plan	787	852	1,776	1,190
Phantom restricted share unit plan	298	137	606	229
	\$ 20,402	\$ 22,744	\$ 48,292	\$ 32,411

Expenses related to share-based compensation plans are primarily included as part of administration expense in the statement of earnings.

18. Financial instruments and related risk management

A. Accounting classifications

The following tables summarize the carrying amounts and accounting classifications of Cameco's financial instruments at the reporting date:

At September 30, 2023

	FVTPL	Amortized cost	Total
Financial assets			
Cash and cash equivalents ^(a)	\$ -	\$ 2,667,715	\$ 2,667,715
Accounts receivable	-	297,683	297,683
Derivative assets [note 6]			
Foreign currency contracts	1,087	-	1,087
	1,087	2,965,398	2,966,485
Financial liabilities			
Accounts payable and accrued liabilities	-	261,805	261,805
Lease obligation [note 8]	-	8,488	8,488
Current portion of long-term debt	-	499,717	499,717
Derivative liabilities [note 8]			
Foreign currency contracts	48,949	-	48,949
Interest rate contracts	9,797	-	9,797
Long-term debt	-	497,865	497,865
	58,746	1,267,875	1,326,621
Net	(57,659)	1,697,523	1,639,864

At December 31, 2022

	FVTPL	Amortized cost	Total
Financial assets			
Cash and cash equivalents	\$ -	\$ 1,143,674	\$ 1,143,674
Short-term investments	-	1,138,174	1,138,174
Accounts receivable	-	183,944	183,944
Derivative assets [note 6]			
Foreign currency contracts	2,807	-	2,807
	\$ 2,807	\$ 2,465,792	\$ 2,468,599
Financial liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 374,714	\$ 374,714
Lease obligation [note 8]	-	9,287	9,287
Derivative liabilities [note 8]			
Foreign currency contracts	51,058	-	51,058
Interest rate contracts	7,284	-	7,284
Long-term debt	-	997,000	997,000
	58,342	1,381,001	1,439,343
Net	\$ (55,535)	\$ 1,084,791	\$ 1,029,256

(a) Cameco has pledged \$248,372,000 of cash as security against certain of its letter of credit facilities. This cash is being used as collateral for an interest rate reduction on the letter of credit facilities. The collateral account had a term of five years effective July 1, 2018 and is in the process of being extended. Cameco retains full access to this cash.

B. Fair value hierarchy

The fair value of an asset or liability is generally estimated as the amount that would be received on sale of an asset, or paid to transfer a liability in an orderly transaction between market participants at the reporting date. Fair values of assets and liabilities traded in an active market are determined by reference to last quoted prices, in the principal market for the asset or liability. In the absence of an active market for an asset or liability, fair values are determined based on market quotes for assets or liabilities with similar characteristics and risk profiles, or through other valuation techniques. Fair values determined using valuation techniques require the use of inputs, which are obtained from external, readily observable market data when available. In some circumstances, inputs that are not based on observable data must be used. In these cases, the estimated fair values may be adjusted in order to account for valuation uncertainty, or to reflect the assumptions that market participants would use in pricing the asset or liability.

All fair value measurements are categorized into one of three hierarchy levels, described below, for disclosure purposes. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the reporting date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

When the inputs used to measure fair value fall within more than one level of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables summarize the carrying amounts and level 2 fair values of Cameco's financial instruments that are measured at fair value:

As at September 30, 2023

	Carrying value	Fair Value
Derivative assets [note 6]		
Foreign currency contracts	\$ 1,087	\$ 1,087
Current portion of long-term debt	(499,717)	(500,000)
Derivative liabilities [note 8]		
Foreign currency contracts	(48,949)	(48,949)
Interest rate contracts	(9,797)	(9,797)
Long-term debt	(497,865)	(505,426)
Net	\$ (1,055,241)	\$ (1,063,085)

As at December 31, 2022

	Carrying value	Fair Value
Derivative assets [note 6]		
Foreign currency contracts	\$ 2,807	\$ 2,807
Derivative liabilities [note 8]		
Foreign currency contracts	(51,058)	(51,058)
Interest rate contracts	(7,284)	(7,284)
Long-term debt	(997,000)	(1,014,010)
Net	\$ (1,052,535)	\$ (1,069,545)

The preceding tables exclude fair value information for financial instruments whose carrying amounts are a reasonable approximation of fair value. The carrying value of Cameco's cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities approximates its fair value as a result of the short-term nature of the instruments.

There were no transfers between level 1 and level 2 during the period. Cameco does not have any financial instruments that are classified as level 3 as of the reporting date.

C. Financial instruments measured at fair value

Cameco measures its derivative financial instruments and long-term debt at fair value. Derivative financial instruments and current and long-term debt are classified as recurring level 2 fair value measurements.

The fair value of Cameco's long-term debt is determined using quoted market yields as of the reporting date, which ranged from 4.0% to 5.1% (2022 - 3.3% to 4.2%).

Foreign currency derivatives consist of foreign currency forward contracts, options and swaps. The fair value of foreign currency options is measured based on the Black Scholes option-pricing model. The fair value of foreign currency forward contracts and swaps is measured using a market approach, based on the difference between contracted foreign exchange rates and quoted forward exchange rates as of the reporting date.

Interest rate derivatives consist of interest rate swap contracts. The fair value of interest rate swaps is determined by discounting expected future cash flows from the contracts. The future cash flows are determined by measuring the difference between fixed interest payments to be received and floating interest payments to be made to the counterparty based on Canada Dealer Offer Rate forward interest rate curves.

Where applicable, the fair value of the derivatives reflects the credit risk of the instrument and includes adjustments to take into account the credit risk of the Company and counterparty. These adjustments are based on credit ratings and yield curves observed in active markets at the reporting date.

D. Derivatives

The following table summarizes the fair value of derivatives and classification on the consolidated statements of financial position:

	Sep 30/23	Dec 31/22
Non-hedge derivatives:		
Foreign currency contracts	\$ (47,862)	\$ (48,251)
Interest rate contracts	(9,797)	(7,284)
Net	\$ (57,659)	\$ (55,535)
Classification:		
Current portion of long-term receivables, investments and other [note 6]	\$ 643	\$ 1,331
Long-term receivables, investments and other [note 6]	444	1,476
Current portion of other liabilities [note 8]	(29,211)	(25,913)
Other liabilities [note 8]	(29,535)	(32,429)
Net	\$ (57,659)	\$ (55,535)

The following table summarizes the different components of the gain (loss) on derivatives included in net earnings (loss):

	Three months ended		Nine months ended	
	Sep 30/23	Sep 30/22	Sep 30/23	Sep 30/22
Non-hedge derivatives:				
Foreign currency contracts	\$ (45,329)	\$ (72,369)	\$ (12,355)	\$ (85,224)
Interest rate contracts	(1,763)	(745)	(3,738)	(6,178)
Net	\$ (47,092)	\$ (73,114)	\$ (16,093)	\$ (91,402)

19. Segmented information

Cameco has two reportable segments: uranium and fuel services. Cameco's reportable segments are strategic business units with different products, processes and marketing strategies. The uranium segment involves the exploration for, mining, milling, purchase and sale of uranium concentrate. The fuel services segment involves the refining, conversion and fabrication of uranium concentrate and the purchase and sale of conversion services.

Cost of sales in the uranium segment includes care and maintenance costs for our operations that have had production suspensions as well as operational readiness costs for our operations that are resuming operations. Operational readiness costs include costs to complete critical projects, perform maintenance readiness checks, and recruit and train sufficient mine and mill personnel before beginning operations. Cameco expensed \$12,887,000 of care and maintenance costs during the third quarter of 2023 (2022 - \$63,676,000 of care and maintenance and operational readiness costs). For the nine months ended September 30, 2023, Cameco expensed \$38,580,000 (2022 - \$175,408,000 of care and maintenance costs).

Accounting policies used in each segment are consistent with the policies outlined in the summary of significant accounting policies. Segment revenues, expenses and results include transactions between segments incurred in the ordinary course of business. These transactions are priced on an arm's length basis, are eliminated on consolidation and are reflected in the "other" column.

Business segments

For the three months ended September 30, 2023

	Uranium	Fuel services	Other	Total
Revenue	\$ 489,381	\$ 85,518	\$ 180	\$ 575,079
Expenses				
Cost of products and services sold	304,551	62,751	-	367,302
Depreciation and amortization	46,012	8,040	1,935	55,987
Cost of sales	350,563	70,791	1,935	423,289
Gross profit (loss)	138,818	14,727	(1,755)	151,790
Administration	-	-	65,510	65,510
Exploration	4,106	-	-	4,106
Research and development	-	-	7,850	7,850
Other operating income	(48,381)	(12,923)	-	(61,304)
Loss on disposal of assets	41	51	-	92
Finance costs	-	-	22,960	22,960
Loss on derivatives	-	-	47,092	47,092
Finance income	-	-	(33,986)	(33,986)
Share of earnings from equity-accounted investee	(35,466)	-	-	(35,466)
Other income	-	-	(53,694)	(53,694)
Earnings (loss) before income taxes	218,518	27,599	(57,487)	188,630
Income tax expense				40,563
Net earnings				\$ 148,067

For the three months ended September 30, 2022

	Uranium	Fuel services	Other	Total
Revenue	\$ 313,263	\$ 75,396	\$ -	\$ 388,659
Expenses				
Cost of products and services sold	257,674	58,284	(21)	315,937
Depreciation and amortization	36,859	8,089	2,626	47,574
Cost of sales	294,533	66,373	2,605	363,511
Gross profit (loss)	18,730	9,023	(2,605)	25,148
Administration	-	-	61,141	61,141
Exploration	3,246	-	-	3,246
Research and development	-	-	3,130	3,130
Other operating expense (income)	(24,848)	205	-	(24,643)
Gain on disposal of assets	(448)	-	-	(448)
Finance costs	-	-	23,277	23,277
Loss on derivatives	-	-	73,114	73,114
Finance income	-	-	(9,457)	(9,457)
Share of earnings from equity-accounted investee	(8,685)	-	-	(8,685)
Other income	-	-	(50,876)	(50,876)
Earnings (loss) before income taxes	49,465	8,818	(102,934)	(44,651)
Income tax recovery				(25,117)
Net loss				\$ (19,534)

For the nine months ended September 30, 2023

	Uranium	Fuel services	Other	Total
Revenue	\$ 1,452,037	\$ 291,375	\$ 629	\$ 1,744,041
Expenses				
Cost of products and services sold	959,060	182,551	(725)	1,140,886
Depreciation and amortization	143,857	24,357	5,998	174,212
Cost of sales	1,102,917	206,908	5,273	1,315,098
Gross profit (loss)	349,120	84,467	(4,644)	428,943
Administration	-	-	186,569	186,569
Exploration	14,262	-	-	14,262
Research and development	-	-	17,189	17,189
Other operating income	(41,602)	(13,360)	-	(54,962)
Loss on disposal of assets	5	363	-	368
Finance costs	-	-	69,302	69,302
Loss on derivatives	-	-	16,093	16,093
Finance income	-	-	(92,625)	(92,625)
Share of earnings from equity-accounted investee	(99,728)	-	-	(99,728)
Other income	(545)	-	(7,528)	(8,073)
Earnings (loss) before income taxes	476,728	97,464	(193,644)	380,548
Income tax expense				99,825
Net earnings				\$ 280,723

For the nine months ended September 30, 2022

	Uranium	Fuel services	Other	Total
Revenue	\$ 1,082,861	\$ 249,990	\$ 11,423	\$ 1,344,274
Expenses				
Cost of products and services sold	868,469	150,374	8,154	1,026,997
Depreciation and amortization	117,641	24,028	7,703	149,372
Cost of sales	986,110	174,402	15,857	1,176,369
Gross profit (loss)	96,751	75,588	(4,434)	167,905
Administration	-	-	142,768	142,768
Exploration	8,168	-	-	8,168
Research and development	-	-	9,296	9,296
Other operating income	(62,262)	(3,021)	-	(65,283)
Gain on disposal of assets	(453)	(207)	-	(660)
Finance costs	-	-	62,376	62,376
Loss on derivatives	-	-	91,402	91,402
Finance income	-	-	(15,886)	(15,886)
Share of earnings from equity-accounted investee	(78,213)	-	-	(78,213)
Other income	(22,802)	-	(67,989)	(90,791)
Earnings (loss) before income taxes	252,313	78,816	(226,401)	104,728
Income tax expense				41
Net earnings				\$ 104,687

20. Related parties

Cameco purchases uranium concentrate from JV Inkai. For the quarter ended September 30, 2023, Cameco did not have any purchases (2022 - Cameco recorded physical weight adjustments of \$4,827,000 (\$3,736,000 (US)) related to the finalization of prior period deliveries). For the nine-month period ended September 30, 2023, purchases were \$93,430,000 (\$68,394,000 (US)) (2022 - \$49,287,000 (\$38,701,000 (US))).

For the quarters ended September 30, 2023 and 2022, Cameco did not receive any cash dividends from JV Inkai. For the nine months ended September 30, 2023, cash dividends received were \$113,642,000 (\$83,059,000 (US)) (2022 - \$104,943,000 (\$82,933,000 (US))).

21. Commitment

On October 11, 2022, Cameco announced that it had entered into a strategic partnership with Brookfield and its publicly listed affiliate Brookfield Renewable Partners (Brookfield) and its institutional partners to acquire Westinghouse Electric Company (Westinghouse), one of the world's largest nuclear services businesses. Brookfield, with its institutional partners, will own a 51% interest in Westinghouse and Cameco will own 49%.

Cameco's share of the purchase price will be funded with a combination of cash, debt and equity. In 2022, the Company secured a bridge loan facility of \$280,000,000 (US) as well as \$600,000,000 (US) in term loans. The bridge facility, if funded, will mature 364 days after the acquisition closing date and the term loans, which consist of two \$300,000,000 (US) tranches, are expected to mature two and three years after the closing of the acquisition. In addition, Cameco issued 34,057,250 common shares pursuant to a public offering.

Transaction costs of \$59,600,000 have been included in supplies and prepaid expenses in the consolidated statement of financial position as at September 30, 2023 (December 31, 2022 - \$41,227,000). The closing of the acquisition is anticipated by the end of the year, subject to the remaining approvals and other closing conditions. Under the terms of the agreement, if the transaction does not close, Cameco is entitled to recover a portion of these costs.