



Cameco Corporation

Fourth Quarter 2023 Results Conference Call

Transcript

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Time: 8:00 AM ET

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Executive Vice-President and Chief Financial Officer

Heidi Shockey
Senior Vice-President and Deputy Chief Financial Officer

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Senior Vice-President, Chief Legal Officer and Corporate Secretary

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Senior Vice-President and Chief Corporate Officer

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Global Managing Director of Cameco U.K. Ltd.

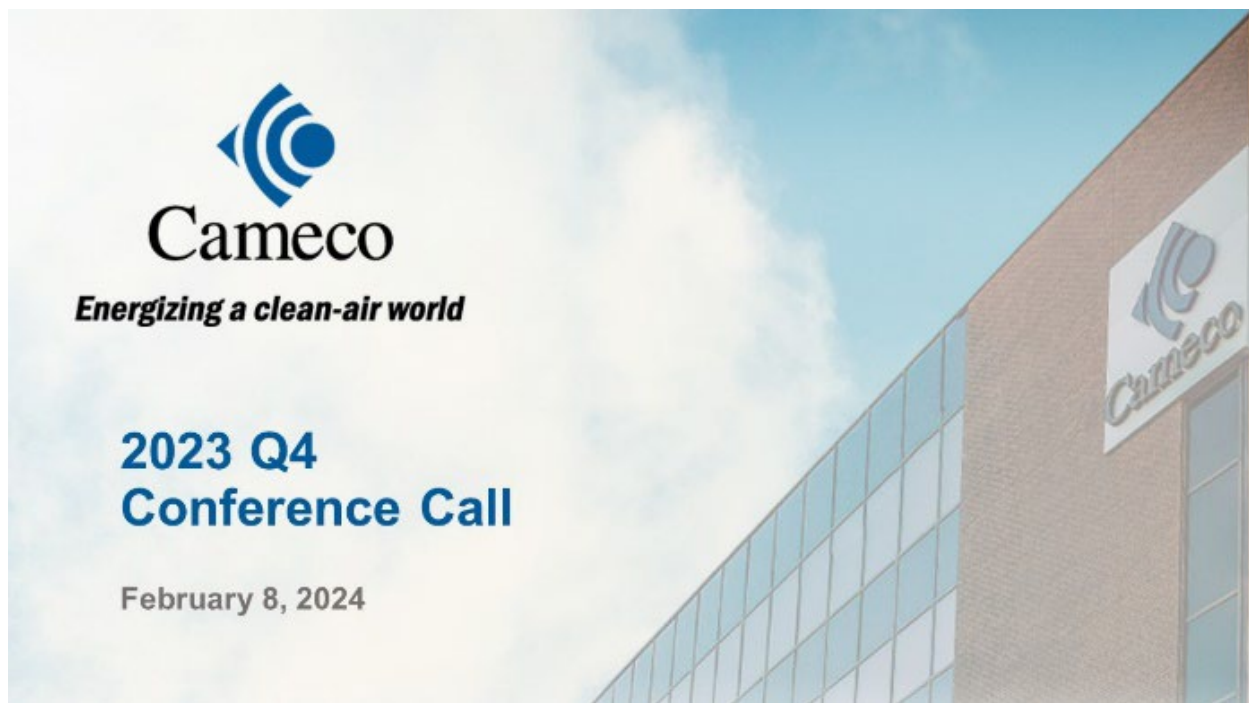


Operator:

Welcome to the Cameco Corporation Fourth Quarter 2023 Results Conference Call.

As a reminder, all participants are in listen-only mode, and the conference is being recorded. Following the introductory remarks, there will be an opportunity to ask questions. To join the question queue you may press star, then one on your telephone keypad. Should you need assistance during the conference call you may signal an operator by pressing star, then zero. Webcast participants are asked to wait until the Q&A session before submitting their questions, as the information they are looking for may be provided during the presentation. The Q&A session will conclude at 9 a.m. Eastern Time.

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



Rachelle Girard:

Thank you, Operator, and good morning, everyone. Welcome to Cameco's Fourth Quarter conference call. I would like to acknowledge that we are speaking from our corporate office,



which is on Treaty 6 territory, the traditional territory of Cree peoples and the homeland of the Métis.

With us today are Tim Gitzel, our President and CEO; Grant Isaac, our Executive VP and CFO; Heidi Shockey, Senior VP and Deputy CFO; Brian Reilly, Senior VP and Chief Operating Officer; Sean Quinn, Senior VP, Chief Legal Officer and Corporate Secretary; Alice Wong, Senior VP and Chief Corporate Officer; and Dominic Kieran, Global Managing Director of Cameco U.K. Ltd.

I'm going to hand it over to Tim in just a moment to briefly discuss the current nuclear market environment, our 2023 performance, and how it provides the basis for Cameco's plans and outlook for 2024. After, we will open it up for your questions.

Today's call will be approximately one hour concluding at 9 a.m. Eastern Time. As always, our goal is to be open and transparent with our communication. However, we do want to respect everyone's time and conclude the call on time. Therefore, should we not have time for your questions during the call, or if you have detailed questions about our quarterly financial results, we will be happy to follow-up with you after the call.

There are a few ways to contact us with additional questions. You can reach out to the contacts provided in our news release. You can submit a question through the contact tab on our website, or you can use the Ask a Question form at the bottom of the webcast screen and we will be happy to follow-up after this call. If you joined the conference call through our website event page, there are slides available, which will be displayed during the call.

In addition, for your reference, our quarterly investor handout is available for download in a PDF file on our website at Cameco.com. Today's conference call is open to all members of the investment community, including the media. During the Q&A session, please limit yourself to two questions and then return to the queue.



Forward-Looking Information Caution

This presentation includes forward-looking information or forward-looking statements under Canadian and U.S. securities laws, which we refer to as "forward-looking information". Forward-looking information can generally be identified by the use of words such as "approximately", "may", "will", "could", "believes", "expects", "intends", "should", "would", "plans", "potential", "project", "anticipates", "estimates", "scheduled" or "forecasts", or other comparable terms that state that certain events will or will not occur. It represents the projections and expectations of the Company relating to future events or results as of the date of this presentation. This information about our expectations for the future is based upon our current views, which can change significantly, and actual results and events may be significantly different from what we currently expect. Examples of forward-looking information that may appear in this presentation include but are not limited to: uranium demand, supply, consumption, prices, long-term contracting, production, and our ability to meet delivery commitments; our expectations for our nuclear technology and services investments; outcome of litigation or other disputes; our future plans, strategies and outlook; and our objectives regarding contributing to a net zero emissions target and other environmental, social and governance goals. Material risk factors that could cause actual results or events to differ materially from those expressed in, or implied by, the forward-looking statements contained in this presentation, are disclosed in the sections entitled "Material risks", and "Material risks that could cause actual results to differ materially" and "Risks that can affect our business" in our most recent Annual Information Form (the "AIF"), and "Material risks" and "Material risks that could cause actual results to differ materially" of our most recent annual management discussion and analysis (the "Annual MD&A"), as such disclosure shall be updated from time to time in Cameco's continuous disclosure documents. Readers are cautioned that the risks referred to above are not the only ones that could affect Cameco. Additional risks and uncertainties not currently known to Cameco or that Cameco currently deems to be immaterial may also have a material adverse effect on Cameco's financial position, financial performance, cash flows, business or reputation. Forward-looking statements made in this presentation are based on a number of assumptions that Cameco believed were reasonable at the time it made each forward-looking statement. Refer in particular, but without limitation, to the sections entitled "Material assumptions" and "Assumptions" of the AIF, and "Material assumptions" and "Assumptions" of the Annual MD&A for a discussion of certain assumptions that Cameco has made in preparing forward-looking statements included or incorporated by reference in the presentation. The foregoing assumptions, although considered reasonable by Cameco on the day it made the forward-looking statements, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking information and statements are not guarantees of future performance. Cameco cannot assure investors that actual results will be consistent with the forward-looking information and statements. Accordingly, investors should not place undue reliance on forward-looking information and statements due to the inherent uncertainty therein.

The forward-looking information and statements included in this presentation represent our views as of the date of this presentation and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we specifically disclaim any intention or obligation to update forward-looking information, whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws.

Forward-looking information contained in this presentation about prospective results of operations, financial position or cash flows that are based upon assumptions about future economic conditions and courses of action are presented for the purpose of assisting you in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes.

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Please note that this conference call will include forward-looking information, which is based on a number of assumptions and actual results could differ materially. You should not place undue reliance on forward-looking statements. Actual results may differ materially from these forward-looking statements and we do not undertake any obligation to update any forward-looking statements we make today, except as required by law.

Please refer to our most recent annual information form and MD&A, for more information about the factors that could cause these different results and the assumptions we have made.

With that, I will turn it over to Tim.



Tim Gitzel:

Well, thank you, Rachelle, and good morning, everyone. We appreciate you joining us for today's call and a belated Happy New Year.

Our fourth quarter conference calls always provide a great opportunity to discuss the past year's developments in the uranium and nuclear fuel markets. It's also a good time to touch on a few annual highlights that demonstrate how well our strategy is performing and to provide some insights into our current expectations for the year ahead. That's the outline I'll follow today.

Strong Long-Term Fundamentals
Cameco strategically positioned

Growing Demand Driven By

Global focus on:

- Energy security
- Electrification
- Decarbonization
- Country net-zero targets
- Company net-zero targets
- Infrastructure investments

Uncertain Supply

- Geopolitical / trade policy risk
- Ongoing transportation issues
- Planned supply curtailments
- Unplanned supply disruptions
- Underinvestment in existing capacity
- Underinvestment in new capacity
- Decreasing secondary supply

Cameco is Well-Positioned

Strategy captures full-cycle value

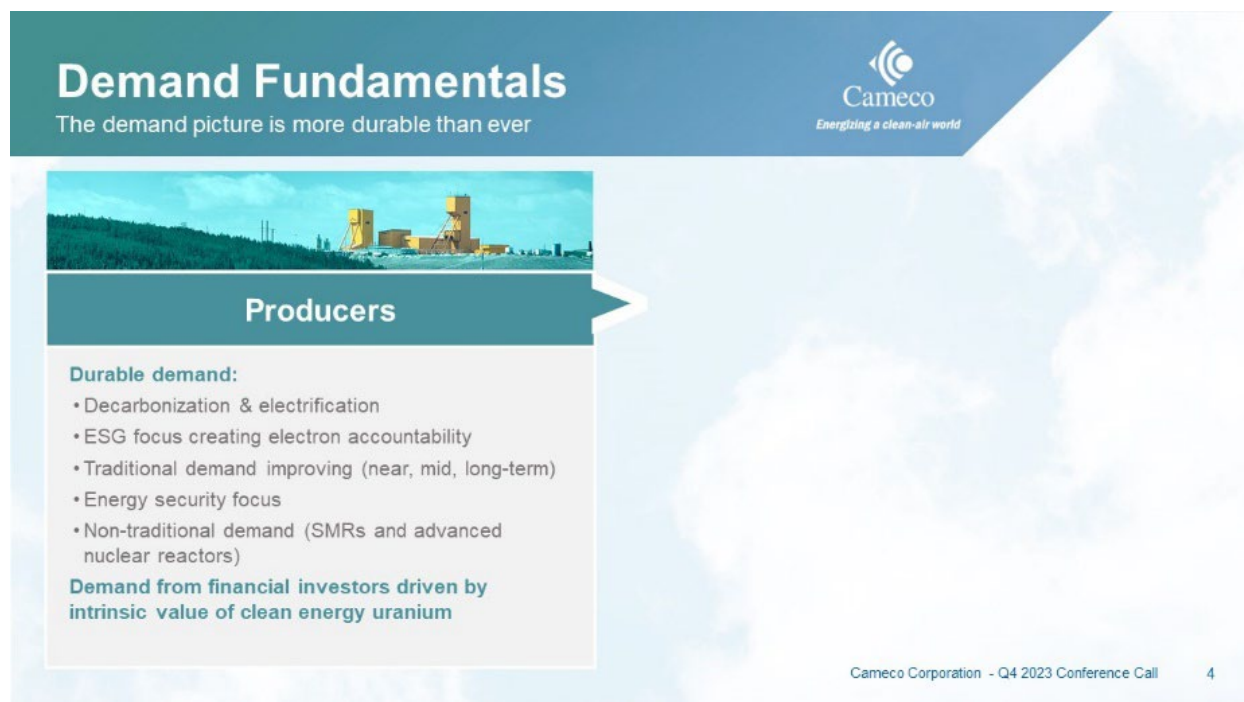
- Long-term contract portfolio
- Operational flexibility
- Tier-one expansion capacity
- Idled tier-two capacity
- Project pipeline – exploration
- More than mining – invested across the fuel cycle
- Risk managed financial discipline

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This past year, we've been consistently talking about the positive market momentum, so I think I can be fairly brief on that side of things. We spent a great deal of time on our calls, in our presentations, and on our webcasts talking about our optimism and positive view of the constructive market conditions we've seen throughout 2023. We are absolutely maintaining that enthusiasm moving into 2024.


Those listening today that tuned in for a few of our calls and presentations prior to 2020 would be very familiar with the phrase “positive long-term fundamentals”. I say somewhat tongue-in-cheek that we use that message more than just a few times to reinforce our optimism through the lowest points of the market cycle. Back when we initially made that statement, we certainly couldn't forecast the timing of a market transition. But we remained convinced that once the excess uncommitted primary supply and mobile inventories cleared the market, and as demand continued to grow, our industry would recover and our Company would be stronger than ever.

Now, as we watch the uranium contracting cycle shift closer to a replacement rate level, I can say with confidence that we have entered the early part of that long-term window we'd been talking about. Those fundamentals we were referring to, they are even more positive than we had anticipated.



Demand Fundamentals
The demand picture is more durable than ever


Cameco
Energizing a clean-air world


Producers

Durable demand:

- Decarbonization & electrification
- ESG focus creating electron accountability
- Traditional demand improving (near, mid, long-term)
- Energy security focus
- Non-traditional demand (SMRs and advanced nuclear reactors)

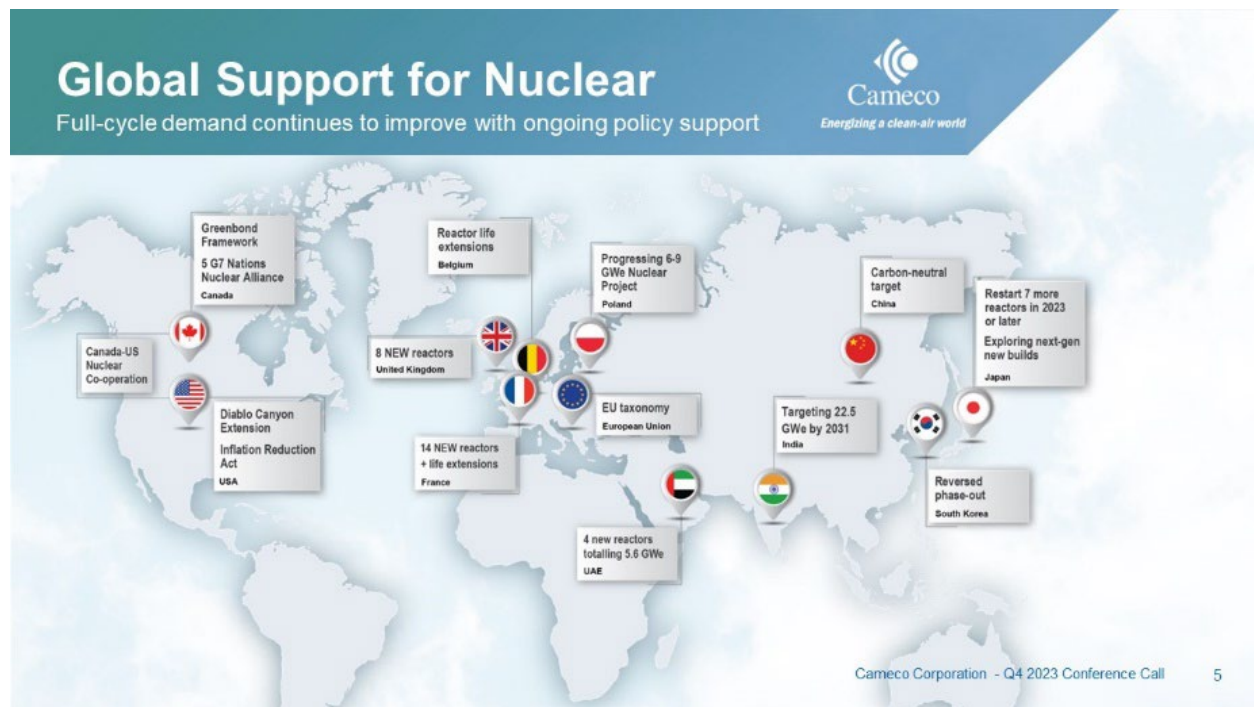
Demand from financial investors driven by intrinsic value of clean energy uranium

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On the demand side, we used the term durable at every opportunity as we believe it accurately describes and effectively differentiates today's fundamental demand picture from previous cycles. The previous peaks in our market have typically lasted for weeks, while the valleys have lasted for years.

That was the case when the excitement about uranium and nuclear was driven by one or two discrete events - a mine shaft failure, the end of the megatons to megawatts program, a flooded mine in development, Chinese contracting that absorbed significant supply. Those types of events all added speculative, shorter-term, momentary pressure to supply and demand.

However, in today's environment, the uranium market is certainly having more than just a moment. Instead, we're seeing full-cycle growth in the near, mid, and long-term with broad interest in nuclear energy like never before.



It's being driven by global scale factors that are widely expected to persist for years to come.

Geopolitical tension is prompting governments all over the world to reevaluate energy security and enact policies to reduce risk and eliminate reliance on unstable jurisdictions. As they do so, climate change and electron accountability remain top of mind, which truly puts nuclear in the spotlight.

There's a growing consensus that there is no net zero without nuclear, and 28 countries have now signed on to an international declaration that calls for a tripling of nuclear energy capacity



by 2050. The EU, U.S., U.K., Canada, France, and Japan are just some of the jurisdictions, where bipartisan support is translating to political action, with a few already introducing financial incentives to back nuclear development.

As a result of this support, we are seeing life extensions, reactor refurbishments, and a call for newbuilds to provide secure, reliable, and clean base load power. We have a technological evolution on the horizon as well, with SMRs and advanced reactors extending the use case for nuclear beyond just electricity, further strengthening the outlook for growing demand.

Demand is durable and growing, with more support than ever. How does that stack up against the supply side fundamentals?

Supply Fundamentals
Uncertain future supply, risk shifting to customers

Risk is shifting to

Producers	Uranium Customers
<p>Durable demand:</p> <ul style="list-style-type: none">• Decarbonization & electrification• ESG focus creating electron accountability• Traditional demand improving (near, mid, long-term)• Energy security focus• Non-traditional demand (SMRs and advanced nuclear reactors) <p>Demand from financial investors driven by intrinsic value of clean energy uranium</p>	<p>Uncertain supply:</p> <ul style="list-style-type: none">• Low prices resulted in:<ul style="list-style-type: none">• Supply curtailments• End of reserve life• Lack of investment in supply development, exploration• Global supply chain challenges <p>Origin risk: geopolitical & trade policy issues</p> <p>Development risk: unproven assets, cost inflation & schedule delays, increasing regulatory and ESG scrutiny</p>

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Well, that's where significant uncertainty remains. The geopolitical tensions that are pushing the reevaluation of energy security are also adding negative pressure to supply. The resulting impact on mining activity, fuel cycle services, supply chains, and global transportation continues to create significant challenges.

Last week we saw a tangible impact on supply, resulting from those challenges when our Kazakh partner, Kazatomprom, revised their expected 2024 production volumes down in response to limited access to acid and development delays. We're now working with Kazatomprom to determine the impact on our share of 2024 production from JV Inkai.

Supply chain challenges, combined with ongoing mine depletion, declining and finite secondary supplies, and a decade of underinvestment in exploration and mine capacity amid low market prices has led to what is a very tight market today, something that is expected to persist into the next decade.



Balanced and Disciplined Strategy
Contract portfolio informs supply decisions

Strategically-aligned contracting discipline

- Strategically patient long-term contracting
- Balanced portfolio
- Optimize market-related portion of portfolio, focus on protection from commodity volatility
- Exposure to improving prices

Operationaly-flexible supply discipline

- Align production with contract portfolio and customer signals
- Brownfield growth opportunities

Risk-managed financial discipline

- Self-manage risk
- Supports opportunistic investment in nuclear fuel value chain

Leading ESG Performance

Clean Environment, Environment, Safe, healthy, and rewarding workplace, ESG, Governance, Social, Supportive Communities

100% of our product is used to produce clean, carbon-free, base-load electricity

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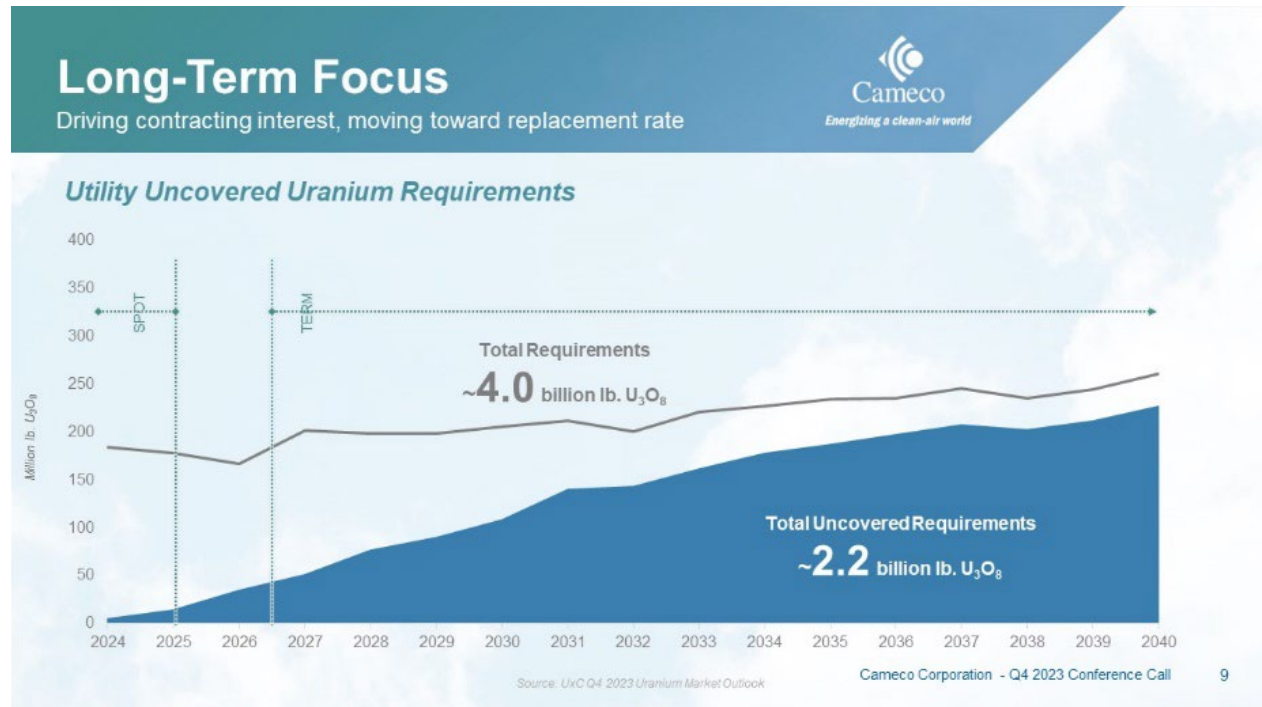
Considering both demand and supply, I think we can safely reiterate that strong long-term fundamentals is still a message that continues to resonate, creating the full cycle growth we've been talking about.

Looking back at the very difficult supply discipline decisions we had to make and the strategy we put in place in the context of that persistent, positive long-term view, I can now say it was all to prepare us for today's market, and for the second half of this decade and beyond. We at



Cameco have maintained a disciplined approach to managing the financial, contracting and operational facets of our strategy during those tough times.

We did what we said we're going to do, which positioned us well to capture full cycle demand with a supply pipeline that was only going to respond to real end-user demand as it evolved.



Considering customer fuel requirements into the future, we knew that the focus had to return to the long-term market, because as always, the total volume of requirements is far greater than what is available in the near-term spot market.

It evolved quickly just as we predicted it would, and our patience and our experience are paying off with positive results. We saw a significant improvement in our financial performance metrics in 2023, thanks to higher sales volumes and higher realized prices in our uranium and fuel services segments.

This drove improved net earnings, adjusted net earnings and cash from operations, which all more than doubled in 2023 compared to the year before, and with a significant increase in



adjusted EBITDA. Our continued discipline and our tried and tested long-term contracting strategy helped to mitigate risks related to our capital decisions and mining plans.

Our strategy is designed to allow us to align production decisions with our customer needs and the commitments in our contract portfolio and ensures we don't add excess supply and capacity when there's no demand in the market.

Operationally Flexible Supply

Align production with market opportunities and contracts

Spot is NOT the market	Long-term value focus
<ul style="list-style-type: none"> Spot is thinly-traded, one-time and discretionary Productive capacity missing the long-term contracting cycle leads to value-destructive spot sales 	<ul style="list-style-type: none"> Multi-year requirements layered in during periods of above replacement-rate contracting Exposure to greater returns as prices increase, protected from lows
<ul style="list-style-type: none"> We do not plan our production for spot exposure We are typically over-contracted and are net spot buyers, not spot sellers Contracted sales commitments determine production 	<ul style="list-style-type: none"> Diversified, proven and reliable commercial supplier Productive capacity underpinned by contract portfolio into 2030s Investing in operational flexibility Financially disciplined

Cameco is a demonstrated tier-one producer with proven tier-one assets

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We understand that to generate full cycle value we can't be mining on spec. We must build a home for our pounds years ahead of time before we pull them out of the ground in order to avoid having to sell material into a thinly traded and discretionary spot market.

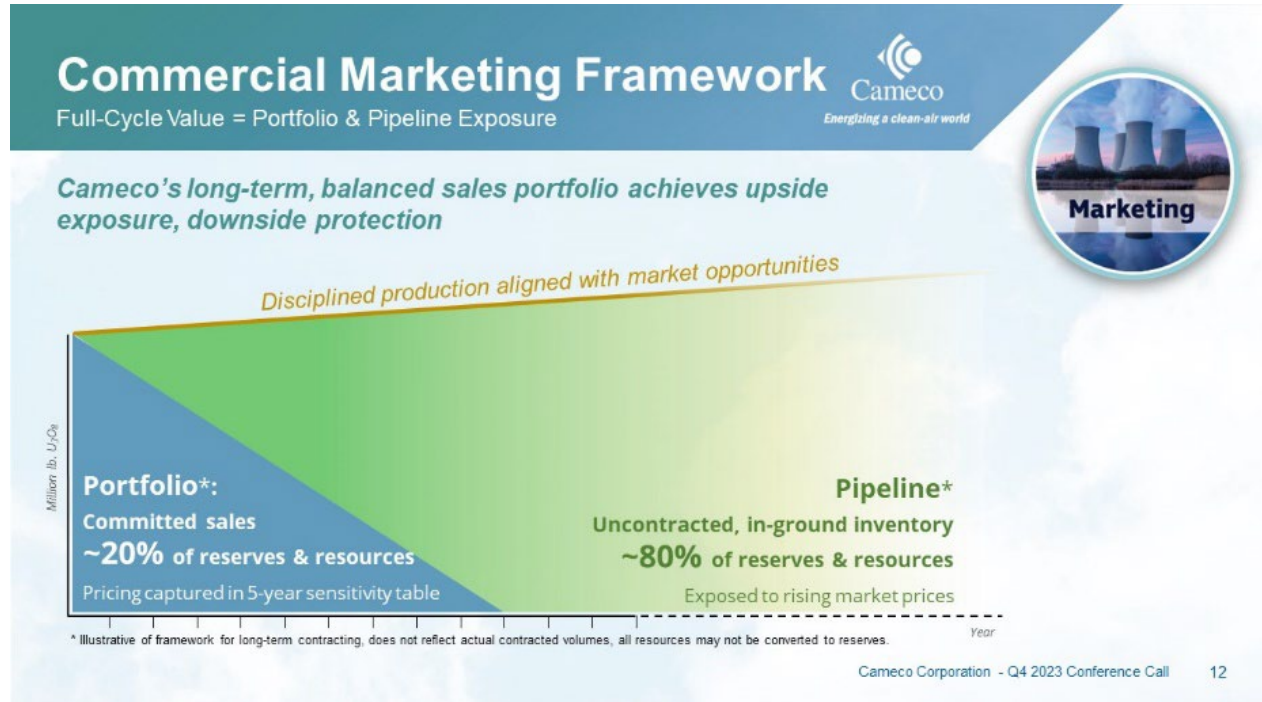
That means in today's contracting cycle we can link the pounds that we previously left in the ground to the long-term contractual commitments that are being negotiated today. Those contracts are being executed in the context of a significantly improved market environment, generating value for Cameco as we deliver into them now and in the years to come. We ended 2023 with a healthy contract book and total long-term commitments of 205 million pounds of uranium with 37 customers worldwide.



That total commitment level of over 200 million pounds only represents about 20% of our current reserve and resource base, providing us with plenty of exposure to improving demand from our customers as they look to secure their long-term needs.

To deliver on those commitments, we must continue to plan for the sourcing of the uranium we need well ahead of time. In the near and mid-term, we always start with our expected production from MacArthur River, Key Lake, Cigar Lake, and Inkai. We can then draw material from our inventory, and with the licensed storage facilities that we operate, we have secured the ability to borrow product under the terms of some of our storage agreements.

Additionally, we have the ability to pull forward long-term purchase arrangements that we put in place in a much lower price environment. Our marketing team can also source material from market purchases. While those purchases would be more expensive than our production and other available supply, our strategy and long-term portfolio positions us to benefit when there is increased near-term demand for scarce nuclear fuel supplies and services.



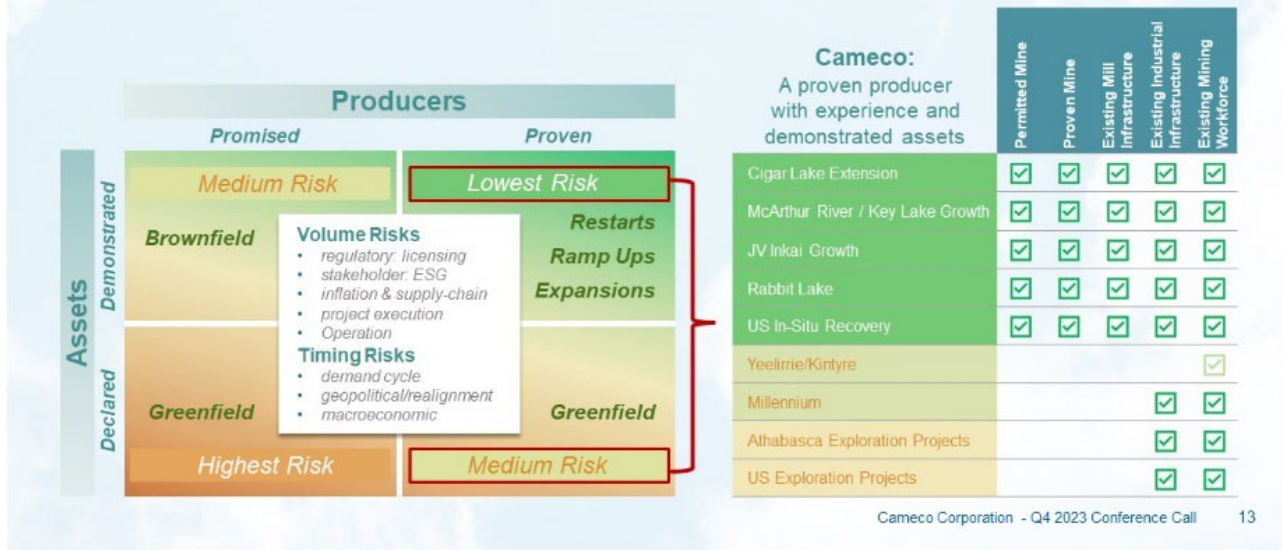
However, when it comes to sourcing for the longer term, based on our existing contract portfolio and the contracting momentum that is building in the market, we do expect to need more than our current annual production volumes. That includes the more than 130 million tier-one pounds that we've left in the ground when we shifted into supply discipline from 2016 to 2022.

As a major producer, we don't often discuss our pipeline of reserves and resources. But when we consider that pipeline in the context of the more than 200 million pounds we've committed under long-term contracts that include escalated prices and escalated floors and ceilings, we have an exposure rate of about 80%. That means we have about 800 million pounds of current in-ground inventory that is not contracted or priced, representing future potential value. That's part of a very deliberate strategy.

As a proven and diversified producer, Cameco is well positioned to add long-term value, and, since we are always adding to a contract portfolio that provides upside participation and downside protection, we expect developments of future production from that in-ground inventory will be funded by the cash flow from product sales, not from dilutive equity raises or significant debt leverage.

Future Uranium Supply

Production response challenges – proven producer advantages



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Thanks to our discipline and our improving financial performance, we consider the next steps in our strategy and start to invest in our tier-one capacity. We now have an updated Cigar Lake technical report that we expect to release sometime in March, which includes the conversion of over 40 million pounds of our share of indicated resources to probable reserves, extending mine life at Cigar to 2036.

We're undertaking a study to evaluate the work, timelines and investment required to expand the MacArthur River Mine and the Key Lake Mill from 18 million pounds of annual production today, up to the licensed capacity of 25 million pounds, our share being 70%. If we took advantage of all tier-one growth opportunities, our annual share of tier-one uranium supply could be about 32 million pounds.

But, beyond our tier-one assets, we also continue to assess the future needs and economic potential of our fully licensed and permitted tier-two assets. Those assets remain on care and maintenance today, but they provide another layer of optionality when it comes to sourcing material for long-term commitments. Remember that unlike a declared or untested asset owned by a developer making promises, our tier-two assets are demonstrated assets with an

operational history and known costs, and they're in the hands of a proven producer, putting them in a much lower risk category.

As one of the world's largest producers, we don't realize any benefit from the voluntary public disclosure of our advanced project work at Millennium, Yeelirrie and Kintyre or from our ongoing exploration successes.

Exploration Success

Focused on the most prospective trends in the Athabasca Basin



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Significant land position

- 650,000 hectares of Cameco and JV-operated properties

History of exploration success

- Uranium prospects and undeveloped deposits on dozens of projects

Infrastructure support

- Existing mines and mills provide logistical and economic advantages

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But there, too, we continue to make progress and evaluate future prospects that align with market demand and our long-term contract sourcing requirements.

We've provided a bit more background on our exploration framework in our MD&A this year, because it's not widely known that we have discovered numerous greenfield prospects and deposits over the years. Those discoveries are underlying the very attractive land position on the most prospective trends, all right in our backyard of Northern Saskatchewan, where we have well-established industrial and mine support infrastructure and where our exploration activities continue.

Invested Across the Fuel Cycle

Enviably portfolio of operations and investments



Tier One Uranium Operations						Fuel Services	
Cigar Lake (54.5%) Saskatchewan, Canada	McArthur River (69.8%) / Key Lake (83.3%) Saskatchewan, Canada		Inkal (40%) Kazakhstan				Blind River Refinery (100%) Ontario World's Largest Commercial Uranium Refinery
World's Highest-Grade Uranium Mine Licensed Capacity (100%): 18 M lbs/yr.	The World's Largest, High-Grade Uranium Mine/Mill Licensed Capacity (100%): 25 M lbs/yr.		A Significant Low-Cost Source of Uranium Licensed Capacity (100%): 10.4 M lbs/yr.				Port Hope Conversion Facility (100%) Ontario Canada's Only Uranium Conversion Facility
							Cameco Fuel Manufacturing (100%) Ontario Manufactures Fuel Bundles and Reactor Components for CANDU Heavy Water Reactors
Tier Two Uranium Assets, Advanced Projects and Exploration						Westinghouse Electric Company	
Rabbit Lake (100%) Saskatchewan	US ISR Operations (100%) Nebraska, Wyoming	Millennium (69.9%) Saskatchewan	Yeelirrie (100%) Western Australia	Kintyre (100%) Western Australia	Athabasca Basin Exploration (100% & JVs) 650,000 Hectares		Westinghouse (49%) Provider of mission-critical and specialized technologies, products and services across the nuclear power sector
						Other Nuclear Fuel Cycle Investments	
							Global Laser Enrichment (GLE) (49%) Developing and Testing Third-Generation Laser Enrichment Technology

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Beyond uranium mining, our contracting success and financial strength is also allowing us to grow and enhance the value of our fuel cycle assets and other investments. Similar to our mining assets, we won't increase fuel services production or capacity until we see customer commitments. Thanks to that disciplined approach, we have the capacity to grow at a time when customers are avoiding Russian supplies and services, and the market has identified a significant need in the conversion and enrichment stages of the fuel cycle.

To meet those growing commitments in our Fuel Services segment, we are increasing our 2024 UF6 production at Port Hope to 12,000 tonnes, which would represent a record production level for the facility, exceeding the record production levels we set in both 2022 and again in 2023. We've now contracted 75,000 tonnes of UF6 conversion with 33 customers worldwide, which we expect to underpin the operation of our Port Hope conversion facility for years to come.

Global Laser Enrichment

Developing 3rd generation laser enrichment technology



GLE is the exclusive worldwide licensee of the proprietary Separation of Isotopes by Laser EXcitation (SILEX) technology

- Cameco is the commercial lead for GLE with a 49% interest (option to attain a majority interest of 75% ownership)
- Subject to a number of factors¹, GLE could offer:
 - re-enrichment of depleted US Department of Energy (DOE) tails to natural UF₆
 - low-enriched uranium (LEU) for existing and future light-water reactors, including LEU-based SMRs (if a market develops)
 - high-assay low-enriched uranium (HALEU) for advanced reactor designs (if a market develops)
- GLE targeting delivery of Technology Readiness Level 6 (TRL-6) in 2024

¹ GLE's path to commercialization depends on several factors, including but not limited to the successful progression and completion of GLE's technology demonstration and maturation program, a clear commercial use case, sound market fundamentals, clarity regarding future Russian fuel imports, the ability to secure substantial government support and funding (specifically accelerated commercial pathways related to LEU and, potentially, HALEU are reliant on government funding) and long-term industry support.


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We also have a 49% interest in global laser enrichment, which holds the exclusive license to deploy a third-generation uranium enrichment technology. Subject to its continued progress towards commercialization, if successful, GLE could have the ability to help meet the evolving enrichment needs of the industry, from re-enriching depleted uranium tails to producing commercial low-enriched uranium for the global reactor fleet in operation today, to delivery of high-assay, low-enriched uranium for the SMRs and advanced reactors of tomorrow. GLE represents a significant opportunity for Cameco to participate in every stage of the fuel cycle.

Westinghouse*

Full suite portfolio of nuclear technology & services



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Develop & Deploy Leading Carbon-Free Technology				Active in All Phases of the Nuclear Operating Plant Lifecycle							
Design and Build				Installed Base (Operations and Maintenance)							
AP1000® Reactor	AP300™ SMR	Energy Storage	eVinci™ Microreactor	Americas PWR	EMEA/Asia PWR	BWR	VVER	Outage & Maint. Svc.	Engineering Services	Instrumentation & Control	Parts
											
<p>Provide carbon-free advanced reactor technologies that enable the flex-load, carbon-free grid of the future to commercial and government clients</p>				<p>Maintain strong position in PWR and grow BWR, VVER and other advanced fuel capabilities</p>				<p>Deployment of innovative digital products and services and increase penetration of OEM and non-OEM parts market</p>			

* Strategic Partnership between Cameco (49%) and Brookfield (51%)
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We're also excited to have added a 49% share of Westinghouse to our portfolio of investments in 2023. Westinghouse is a well-established and critical business to the nuclear power industry, which gives us more exposure to the lightwater side of the nuclear fuel cycle, while adding potential growth opportunities related to their conventional and advanced reactor sales. We expect our share of adjusted EBITDA from Westinghouse in 2024 to be between \$445 million and \$510 million.

We believe the business is well-positioned for long-term growth, driven by the expected increase in global demand for nuclear power. Over the next five years, we expect Westinghouse's adjusted EBITDA to grow at a compound annual growth rate of 6% to 10%. But even with the significant acquisition of Westinghouse, we have maintained the capacity for further investments, should value-adding opportunities emerge.

Financial Strength

Risk managed financial discipline



Liquidity* **\$567** Million
Cash
\$1 Billion
Undrawn credit facility

Total debt*
~**\$1.8** Billion

Credit ratings S&P: BBB-
DBRS: BBB

* As at December 31, 2023

Maintain strong balance sheet

- Navigate by investment grade rating
- Take advantage of value-adding opportunities as they arise

2024 Capital allocation priorities

- Execute production plan and return to tier-one cost structure
- Begin work on Cigar Lake extension
- Evaluate expansion at McArthur River/Key Lake
- Improve operational effectiveness
- Look for an opportunity to refinance June 2024 debenture
- Prioritize repayment of floating rate term loan put in place to help fund the acquisition of Westinghouse

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Our balance sheet remains strong, with \$567 million in cash, approximately \$1.8 billion in total debt, and a \$1 billion undrawn credit facility.

In our Uranium segment, we expect this past year's strong financial performance to continue in 2024. We will continue to transition to our tier-one cost structure and deploy the capital and other expenditures we believe are necessary to meet our commitments and position the Company for continued, sustainable growth.

Vision and Strategy



Centered on our values

- Our vision is aligned with the world's growing need for clean, affordable and secure energy solutions.
- We believe our strategy of **contracting discipline**, **operationally flexible supply discipline**, and **financial discipline** will allow us to achieve our vision of **Energizing a clean-air world**.
- Integral to our strategy and reflecting our values, is our commitment to ESG.



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Growth that will be pursued in the same manner that we approach all aspects of our business: strategic, deliberate, disciplined, and with a focus on generating full-cycle value, and with a continued focus on the environmental, social, and governance side of our business as well, where we are very proud of our track record.

We integrate ESG principles and practices into every aspect of our business, from our corporate objectives and our approach to compensation, to our overall corporate strategy, risk management, and day-to-day operations. As part of our low-carbon transition plan, we created tailored decarbonization pathways in 2023 for each site we operate, to support the achievements of our 2030 greenhouse gas emission reduction targets. We also completed an analysis of climate change scenarios at our Northern Saskatchewan and Ontario operations to better understand how changing climate conditions could impact our employees and our assets in the long-term.

I encourage you to read through our annual MD&A where we go beyond just performance highlights. In it, you will see a much more detailed picture of our strategy, how we operate, and importantly, insight into the uranium and nuclear fuel market, a market that is unlike any other.



Thank you for your interest today and we would be happy to take any questions.

Cameco
Energizing a clean-air world

Q&A

Investor Relations

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Cameco Corporation - Q4 2023 Conference Call 20

2023 Highlights

Continued transition to tier-one run rate

Moving into a new phase of supply discipline

Strong financial results, strong balance sheet:

- Key financial metrics including net earnings, adjusted net earnings, cash from operations more than doubled in 2023 compared to 2022, adjusted EBITDA up significantly.

Significant M&A:

- Completed transaction to acquire 49% ownership of Westinghouse

Long-term contracting success:

- Continuing to be selective to maintain exposure to improving market conditions
- Total long-term commitments of 205 million pounds U₃O₈, 75 million kilograms of UF₆ conversion

ESG integrated into every aspect of our business:

- Developed decarbonization pathways for operations under our Low Carbon Transition Plan

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Operator:

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

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

The first question comes from Ralph Profiti of Eight Capital. Please go ahead.

Ralph Profiti:

Good morning, Cameco team. Thanks for taking my questions. Tim, in the evaluation of MacArthur River up to 25 million pounds, when will this work be completed? Assuming things being taken into consideration include issues from September 2023, including supply chains, skilled labour, as well as some of the special technical considerations, do you see a potential scenario where tier-two, whether it be U.S., ISR or Rabbit Lake, may be more desirable than MacArthur River production because those production centres may not be as constrained?

Tim Gitzel:

Yes, morning, Ralph. Thanks. Nice to hear from you. We are just starting the MacArthur Key evaluation work now. We are seeing a market that we think might need those pounds going forward. Those are probably the best pounds on the planet that are not in production yet. We are starting our work on what we need to do to de-bottleneck at the Key Lake Mill. The mine is running well today and we know it can produce at that level.

We are starting the work. Obviously, we are not going to produce on spec. Grant has said that a hundred times. We produce into contracts that we have. We'll get that work going, and like I



say, we are going after that before we go after any tier-two, I think, project that we still have in care and maintenance. But don't rule those out either, Ralph, because those are on our batting lineup further down the list.

But first, as we said in our quarter here, we are going to look at de-bottlenecking MacArthur and Key so we can get those to '25, and then that extension, don't underweigh that extension of Cigar Lake to 2036. That is a huge move and it really sets us up well for the future.

Ralph Profiti:

Okay. Understood. Yes, thanks for that colour. I also noticed in the uranium sensitivity table that the leverage to 5% change in uranium to revenue is quite low this year. I'm just wondering what is going on with the contract book versus the realized price guidance and why we're seeing that diminished leverage versus previous years. It seems like this is a function of the contract books maybe perhaps hitting more of those ceilings, or perhaps even up flexing on the part of customer discretion?

Tim Gitzel:

Yes, Ralph, Grant is our very best expert on that. Grant, do you want to take that?

Grant Isaac:

Yes, I think a great question, Ralph. Let's be really clear that we set a strategy that supports short-term price discovery in order to create long-term value. What I mean by that is it is categorically the wrong way to think about a uranium producer as saving production for the spot market in order to maximize near-term leverage to the spot market.

The reason for that, we said over and over again, and people really need to understand this, the spot market is small, it's discretionary, it's non-fundamental, and it is low-quality demand. If Cameco produced and showed up and tried to sell pounds into the spot market, it would not be discovering higher prices. The opposite would happen. The market would realize that we would be showing up with uncommitted primary production and the market would back up.



Don't take my word for it. Look at what happened in the days when Paladin, for example, was a spot market seller or Kazatomprom was a spot market seller. That strategy has been proven to be a colossal failure over and over again. What matters is the non-discretionary, fundamental, high-quality demand of the term market. But make no mistake, Ralph, we don't miss these market moves.

We just capture them and build them into the forward contract book. You have heard me say over and over again, we prefer market-related contracts right now. A move like this in the spot market, which we don't sell into, because we don't want to undermine that move in the spot market, allows us to then price market-related contracts forward on a much more attractive basis than we did before the spot market move.

I'll just give you an example. When uranium pushed over \$100 per pound, Cameco doesn't immediately go, how do we sell into the spot market? We go, how do we translate that kind of spot market quick move into forward value? A market-related contract that we would write today and give to a utility probably has a floor tucked right up at today's long-term price, escalated, and probably has a ceiling in the 120s, escalated.

That is how we capture the value of a spot market move. Those who want to play the spot market show up with uncommitted primary production. They put pressure on it. In a thinly traded market it goes down, and they ride it back down. What we do is we take those moves, we build it into the contract portfolio going forward. It's a strategy that sustains near-term price discovery and helps bring that long-term price back up to a sustainable production economic level.

With all that context, no surprise, contracts that we entered into a number of years ago, where if they were at a \$70 ceiling a few years ago, would have been a really attractive ceiling, we might be hitting those ceilings in a market-related today, for example, or if there was some base escalated portion.

It is good news that this is occurring. It means the market is going into a security of supply contracting cycle. It means our supply discipline strategy is working. It means the forward value capture is growing. Then, of course, I want to reference the comment Tim made, which, folks,



20% of our portfolio of reserves and resources is contracted. Eighty percent is not. That's 800 million pounds of uranium to be priced in a much better environment now.

We never miss these moves. We build these moves into long-term contracts, long-term cash flow and earnings. That's what's happening.

Ralph Profiti:

That's helpful, Tim and Grant. Thanks very much. Great context on the strategy. Thanks again.

Tim Gitzel:

Thanks a lot, Ralph.

Operator:

The next question comes from Andrew Wong of RBC Capital Markets. Please go ahead.

Andrew Wong:

Hi, good morning. Thanks for taking my questions. Can you just talk about your confidence level on production returning to nameplate in 2024 and just some of the longer-term projects for Cigar and MacArthur? I think previously the messaging was that those projects may not be looked at until the volumes start getting contracted and the demand was there. Now that work is starting on those projects, does that mean that those volumes are starting to get some contracting activity?

Tim Gitzel:

Thanks, Andrew, for the question. Yes, so just how confident are we on production for this year? We put out 18 million pound forecast for each of those sites, and we're very confident that we'll make that. We have got some more operating experience at MacArthur and Key every month that goes by. It gives us another view on how it's going, and I'd say the last two months have been very good.

I'm looking at Brian Reilly, our production has been very good, very steady. We're working out some of the bottlenecks or kinks that you have with a restart. We're really happy with the way



things are going there. Same at Cigar. You know, well-established mine. We've been operating there for years. We moved into that new war zone. We're getting that under control. The mill had some hiccups, and they've got that under control.

Yes, we're very confident in our forecast for 2024. Going forward, yes, as I said earlier, we won't produce on spec, but we will get those assets ready to go at MacArthur Key, and once Grant and his team have contracts in front of us that call for that production, we will move those forward. We'll move the production up at MacArthur Key.

There's a timing thing and things don't just happen overnight. We want to be ready when that happens, and the contracts we sign, those long-term contracts that Grant was referencing earlier, they don't start deliveries for a number of years. We've got time to get things ready. We've got dry powder, and when the time comes, we'll be ready to go. We really like our positioning.

Andrew Wong:

Okay. Great. Maybe for Grant, the contracting strategy makes a lot of sense. Could you maybe just talk about how the contract book and price sensitivity table would look like beyond the years that are in that table, maybe into the late 2020s and early 2030s, where you might get more of that leverage to the rising price environment that we're seeing today?

Grant Isaac:

Yes, absolutely designed for leverage to that rising price environment. Really important to emphasize, we are still in supply discipline. We are not calling the top of the market. This is not peak demand going on in uranium yet. We're in the early stages of this contracting cycle, early stages that suggests it's the right strategy to be very disciplined with our supply.

We're thinking about moving the tier-one to full capacity like Tim talked about, but we haven't made that decision yet with respect to MacArthur Key, and we haven't even started talking about the tier-twos. If we put that all together and said, what would our annual capability be, that's about 38 million pounds of annual production. You see in our guidance table, 22.4 million pounds.



Cameco is not calling peak demand here, or peak price discovery in the uranium business. We're still in supply discipline. We're still in supply discipline because we think, when we look at the uncovered requirements wedge, a lot of demand, non-discretionary fundamental demand needs to come to the market. We want to be exposed to that.

It isn't about selling out the volumes. It's about placing volumes under terms and conditions that make sense to us today. That is that market related exposure that I talked about. That is really dramatically improving floors and ceilings that are both escalated, by the way, and of course a long-term price that's now \$72 US per pound, and that itself is base escalated if you agree to any of those contracts.

As you see going forward, we would look to move beyond that contract table, which only accounts for about 20% of our volume. In fact, that committed sales table is less than that. It's only about 13% of our volumes, because it's just the next five years. We have 80% of those volumes that aren't yet sold yet. It's a good thing. Prices are going up. We want that exposure to future prices.

When you think about our reserves and resources that aren't yet priced, that have that pure exposure to the uranium price, those are reserves and resources that are in the hands of a proven, proven producer. Many of those reserves and resources are adjacent to existing infrastructure and you can take advantage of all those incumbencies. This is exactly where a responsible uranium producer wants to be, should be in a market that is entering a security of supply contracting cycle.

Absolutely, we love our position. We love that exposure going forward. It would be foolish to say, well, we should just be trying to jam all of our material through a \$103 spot market, because the spot market wouldn't be \$103 if we tried to do that. That would be a really silly strategy. That exposure going forward, nobody has a better position than we do.

Andrew Wong:

Great. Thank you very much.



Tim Gitzel:

Thanks, Andrew.

Operator:

The next question comes from Orest Wowkodaw of Scotiabank. Please go ahead.

Orest Wowkodaw:

Hi, good morning. A couple of questions on my end, if I could. First of all, can you give us an idea of what kind of capital was required to bring MacArthur up to '25 and to extend Cigar?

Tim Gitzel:

Brian, do you want to take that one?

Brian Reilly:

Yes, sure. Great question. Certainly, Cigar Lake extension, we are well advanced. We completed a pre-feasibility study that verified the economic feasibility of the extension. We've converted resources to reserve, so we're well down the track there. We'll produce a technical report next month, as Tim mentioned, with all the details.

But what we have now in terms of our share for capital at Cigar Lake extension, somewhere in the \$250 million, \$300 million range, to extend it up to 2036. Cigar Lake extension is in good shape, and we'll produce a technical report with all the details. MacArthur Key Expansion, early days, very early days. As Tim mentioned, we've just commenced the assessment in terms of what's required at the mine and an end-to-end study at the mill. I would suggest just hang in there. We'll be better positioned later in the year, but still early days for MacArthur Key Expansion.

Orest Wowkodaw:

Okay. But would it be fair to say it's less than a billion dollars, like we're talking in the hundreds of millions?



Tim Gitzel:

Oh goodness, yes.

Orest Wowkodaw:

Perfect. Then a quick question for Grant, if I could. Just on the committed purchases, you've got 4.7 million pounds committed to acquire this year. Can you give us any idea of how the pricing mechanism works on those contracts? Does it move with market pricing? Is it fixed? How should we think about that?

Grant Isaac:

Yes, thanks, Orest. On page 51 of the MD&A for folks that are looking, we do have a bit of new disclosure actually, on our purchase commitments. In previous markets where the spot was oversupplied and we were in extreme supply discipline and wanted to be heavily over-contracted, we would put a big purchase number out there because we wanted the market to know that demand was coming and start cleaning up the front end of the market and discovering better prices.

But as we're at this phase of our transition, restoring our tier-one cost, bringing production back, we wanted to bring a bit more granularity between what purchases are we already committed to make and which ones might we go into the market to buy. What you see when we cut it that way is very small exposure to the market. We said up to two million pounds that we might buy in the market, but we might. We don't have to. We have other options in order to source our committed sales.

Some of those other options include purchases that we make under a long-term purchase commitment. I think that's what you're referring to. Generally, what happens in those long-term purchase commitments is we'll see a market where we might think the uranium price is low. When we do, we might find a seller who's willing to fix a price for us, subject to a carry trade for delivery out into the future. But for many of those contracts, we have the ability to take delivery when it makes sense for us. We fix the price in a lower pricing environment. We take the delivery when it makes sense to meet our committed sales volumes. It's the best trading margin in the business.



Many of those long-term contracting, long-term purchase commitments were made in that \$30 uranium market. They've escalated a bit, some of them in more recent years, but well, well short of today's market prices. This is just part of how we think about sourcing material over the long run. Very small market exposure to be deployed if we want to, and then subject to the purchases that come in from Inkai, the purchases that come in from the long-term purchase program.

The final thing on Inkai is, always remember, we're never afraid of rising uranium prices, and Inkai is a perfect example. Yes, we'll buy the material from Inkai at a discount to the spot price. Those will be very expensive. But if those are expensive, then the dividend that comes back from Inkai is even bigger.

The economic value of those tier-one assets is always ours and we don't fear when prices go up. We don't miss these markets. We capture that value on the long-term. Very attractive source of supply that really reduces our need to go into the market to purchase. But if we see the opportunity to purchase, we'll stick our nose in there. If somebody decides they want to try to sell material to the spot market, we might be a buyer.

Orest Wowkodaw:

Thanks, Grant. Ultimately, I think if I understand your new disclosure, there's only up to two million pounds that you're planning to buy from the market at market pricing?

Grant Isaac:

Yes, that's right. We saw that some folks were completely misreading our outlook table in the past. They were taking the overall purchases and they were assuming every one of those was going to be made in the spot market and trying to drive an incorrect narrative about financial distress. Of course, we've never run the Company that way. If that were the case, the outlook table would be very different.

We wanted to put some granularity out there to—lots of sophisticated folks understand what we do, but some don't. We just wanted to make sure we had that granularity and remind folks that,



actually, it's up to two million pounds. We could source it directly in the spot market for immediate delivery. We could draw down our inventory. We could access loans. We could access more of the long-term purchases if that made sense for us. We could be engaged in a conversation with a customer to move deliveries around in a year for when production comes in. Ultimately, this is what a responsible uranium producer does.

Orest Wowkodaw:

Excellent. Thank you.

Tim Gitzel:

Thank you, Orest.

Operator:

The next question comes from Greg Barnes of TD Securities. Please go ahead.

Greg Barnes:

Yes. Thank you. Just a couple of questions for me and returning back to Cigar Lake extension. Would that be at the 18 million pound per year range or would it decline into 2036? Is there an extension beyond 2036?

Tim Gitzel:

Greg, thanks for the question. Our plan would be to remain at 18 million pounds per year to 2036. Is there an extension? We're just working on this one right now. Once we get under there—and we're moving to the west on that and so as we get out there, who knows? We'll be poking holes all over down there. We're hopeful, but we don't have anything to report yet, Greg.

Greg Barnes:

Okay. Just on the Westinghouse guidance for CAGR of 6% to 10% a year. Does that only include, in terms of the AP1000 sales, the ones that have been under contract or under contract currently? Or do you make a forecast of potential AP1000 sales that build into that number as well?



Grant Isaac:

Yes, Greg, here's the good news. It's just the ones that you know about, the ones that Westinghouse has announced. More upside to come as they, we believe, might have a huge opportunity in other markets that are evaluating that stable, proven AP1000 technology. But this is just capturing the beginnings of the contracts required to advance AP1000s in the markets that have already announced it.

Greg Barnes:

Grant, quickly on Springfields, any decision on restarting that conversion plant yet or any support from the U.K. government to do that?

Grant Isaac:

Well, lots of interest remains in the conversion plant at Springfields for the natural conversion line. But Springfields is also critical infrastructure for a lot of other ambitions as well. We're continuing to work through that process. Obviously, very attractive conversion prices right now in the market that put some wind in the sails for a restart. But it's got to be done responsibly.

It's no different than the uranium market. You don't start a conversion plant, and then start knocking on people's doors and asking if they want to buy a conversion service, because you're just going to push the conversion price down. You have to do this responsibly and in a disciplined way. We're just working through that process now.

Greg Barnes:

Thanks, Grant.

Tim Gitzel:

Thank you, Greg.

Operator:

The next question comes from Lawson Winder of Bank of America Securities. Please go ahead.



Lawson Winder:

Thank you very much, Operator, and good morning, Cameco team. Thank you for taking my question. I just wanted to ask about Westinghouse. It's fantastic to have the detailed disclosure in the notes. The G&A effectively, the marketing administration and general expense is a little bit of a larger number than I thought. Would you be able to provide any detail on what goes into that, or what are some of the large numbers maybe in that or how that breaks down? Then any guidance for that going forward as well? Thank you.

Tim Gitzel:

I'll get Grant to answer that.

Grant Isaac:

Yes. There are elements of the Westinghouse business that are pretty high touch. When we think about the core of the business, which we define as nuclear fuel and operating plant systems, as well as the newbuild, there are a lot of offices, a lot of engagement and a pretty high touch that goes on advancing those kind of contracts.

Right now, when they're at the stage of developing new markets like they are for VVER fuel or developing new markets like expanding into BWR fuel or examining LEU+ fuel, and even the question that Greg asked earlier about Springfields, this is all captured in increased activity running through that line, and of course, the support required to advance newbuilds, whether that's AP1000s, AP300s or eVinci. A bit of a higher touch business than what Cameco is accustomed to, but totally appropriate given the position that Westinghouse is in and their ability to capture the tailwinds in the nuclear industry as well.

Lawson Winder:

Then just going forward, is that 2023 level that, well, at least for the proportion of '23 that you guys have reported, is that a fair level going forward for '24, '25?



Heidi Shockey:

Yes, it's Heidi here. I would say that they're a pretty stable business. Maybe I would just add to what Grant said in terms of the other pieces that that's really recognizing the fixed costs. That is all the costs that aren't directly related to operations. It's maybe broader than just G&A.

Lawson Winder:

Thank you very much. Now for my follow-up question, I had actually wanted to ask about the conversion market as well. Grant, you had expressed some—a review in the investor call in December during the Investor Day that perhaps prices were getting near a top. But prices have continued to rise since then. Have you changed your view at all? Do you think prices can continue to rise higher, or are in fact we getting to a level where prices are as high as they might go?

Grant Isaac:

Yes, well, my comment earlier, Lawson, about Cameco's not calling peak demand, or peak pricing, I was referring to uranium, but perhaps in conversion as well. This market has not really reckoned yet with a couple of big risks. One of them is obviously the risk that not only does the legislative efforts to restrict Russian supplies in Western markets become codified into law, but the risk that there's a Russian retaliation.

That would be a very constructive environment for conversion, because remember that Russian enrichment service shows up attached to something. It shows up in a cylinder that already has the uranium, already has the conversion. That will continue to add pressure to the conversion side of the business.

Then, of course, this market, I don't think really appreciates at how difficult restarting production can be, whether it's a uranium asset, whether it's a conversion asset. I think a lot of folks are just assuming these things are easy and they build in a perfection scenario.

Between those two really big risks, that there's a ban on Russian material that the Russians actually react to by saying, okay, well, you can't have it today, as well as the reality that's going



to set in, that all these big promises about new supply, whether it's on the uranium side or the conversion side, are just going to take longer.

That's further price formation in the industry that needs to come. It's why we don't want to call a top. It's why we don't want to rush and secure all the contracts for conversion that would sell out Port Hope or encourage Westinghouse to do that for Springfield. There's more to come to this market. We've seen this story before. Now's the time to remain patient and let that price discovery unfold.

Lawson Winder:

Thank you all very much.

Tim Gitzel:

Thank you, Lawson.

Operator:

Please note, we are at less than a 10-minute mark for questions and any we don't get to can reach out to the IR team. Thank you.

The next question comes from Alexander Pearce of BMO. Please go ahead.

Alexander Pearce:

Great. Thank you. Good morning, all. I just wondered if you could build on some of the market commentary you've made and in particular just the changes that you've seen so far this year and particularly what's changed in terms of your discussions with utilities since you updated Kazatomprom from last week.

Grant Isaac:

Yes, we've seen a market that has behaved exactly like we told you it was going to, Alex. When the market begins to enter a security of supply cycle, actually the importance of the spot market goes down and the importance of the term market goes up. Look at the data. The spot market was smaller in 2023 than it was in 2022.



Utilities focus less on the spot market. They focus more on the term market. Goes back to my earlier point about why we don't try to sell stuff into the spot market. It's thinly traded. It's non-fundamental discretionary demand.

As utilities are shifting over we're seeing a market that hit about 160 million pounds of term contracting. It might be easy to conclude we're at replacement rate, Alex, but I would just say we're not quite there yet because there were two very, very big contracts that went through the market. One that Cameco had with Ukraine and one that Kazatomprom had with the Chinese.

If you back those out and ask on a distributed basis across all markets, are we at replacement rate? The answer is no. The good news is we're in the early innings of a security of supply contracting cycle. We haven't yet hit a distributed replacement rate and we've never been at this stage of the cycle at these prices before, which is why we want to continue to have that exposure going forward.

But some of the common characteristics, tenures continue to go up. Utilities coming to the market for security of supply are looking for requirements covered on a longer-term basis. Tenures are going out. Volumes are going up, not just because more years are being added, but because utilities are taking a bigger bite out of each of their requirements contracts.

Then, of course, timeframes are going out. There are utilities who, Alex, are really well covered for the rest of this decade. They're now worried about the next decade and they're starting to look to contract into that window as well.

All of that very constructive for a view that the long-term demand is building, not peaking, but building, and that what we want to remain is very disciplined to capture as much of that price discovery as we can.

Alexander Pearce:

Great. Thanks, Grant. Then, Tim, you mentioned in your comments the ability to bring forward some of those purchase agreements if required. Are you able to quantify if indeed that did



happen for this year for guidance and how much you've brought forward from future years into this year in these purchases?

Grant Isaac:

Sorry, Alex, it's Grant again. Our plan in the outlook table was the plan all along on that 4.7 million. We have that as an option to exercise more of those long-term purchase requirements if we want. It's why the disclosure on market purchases is up to 2 million pounds. That would be one of the levers why it's not a hard 2 million pounds because we may not buy it in the spot market. We don't have to, but if it makes sense for us, we will.

Alexander Pearce:

Okay. Thank you.

Tim Gitzel:

Thanks, Alex.

Operator:

The next question comes from Brian MacArthur of Raymond James. Please go ahead.

Brian MacArthur:

Good morning and thank you for taking my question. It goes back to the last question. In this table - and I appreciate now you've given the breakout - two things. Do you assume that you get your Inkai purchases every year? Because again, you also state right now we're not sure what we're going to get. Again, those are, as you said, profitable pounds once you do the equity component. If not, how do you balance for that? Because, again, the question is you could be getting 4 million to 5 million profitable pounds from Inkai. My third question on that is, I can't remember, are you getting 50% or 40% of the joint venture now under that agreement? Thanks.

Grant Isaac:

Brian, let's just start with, yes, the table assumes that the volumes expected from Inkai in 2024 arrive. But of course, as we saw in 2023, there can be sometimes timing differences. We got about two-thirds of Inkai's 2023 volumes in 2023, the remainder early 2024. This is something



we can deal with as Cameco because we have other sources of supply. We have other mines. We have our inventory. We have all of the levers we've already been talking about. This is actually a much, much bigger problem for the front end of the nuclear fuel cycle because it's close to 50% of the global production of uranium that isn't arriving when it needs to arrive at Western markets.

For Cameco, it's something we can plan for, something we can deal with. We eventually get those pounds and we can deal with the time issue associated with them. The overarching assumption is, yes, we're going to receive them. If we don't, we'll manage.

Sean Quinn:

Grant, I'd just add to that that the sharing is 60-40 once you reach the nameplate capacity of 4,000 tonnes per year, which is just over 10 million pounds. We've never hit that peak yet. Over the last number of years, we've basically received as a share of production what we would get at 40% of 10 million, so around 3.3 million pound.

Brian MacArthur:

Great. Thanks. Just so I can be really clear, you also, as you mentioned, got last year's shipments from Inkai. You presumably have those pounds in inventory and the other ones in the Canadian port. Would you not feel pretty comfortable that you're going to have a lot of Inkai pounds to sell this year because they've already arrived and that's embedded in those numbers?

Grant Isaac:

Yes. Sorry. I hope my comments weren't viewed as being unconfident. We're very confident that that supply is going to show up. If there are timing challenges, we deal with it within our inventory, within our other sources of supply. Extreme confidence.

Brian MacArthur:

Great. That's helpful. It's just these pounds are very profitable so it affects the finances depending on when they come in.



Grant Isaac:

Indeed.

Brian MacArthur:

Okay. Thank you very much. One quick last question, sorry. CRA, I don't want to go back to this at all because I figured it's hopefully dealt with, but I do see you have to put some more money aside again. We've done 2017. Does that mean they can do '18 and '19? You might have to put money aside this year? Or a letter of credit aside?

Tim Gitzel:

I was going to say thanks for the question, Brian, but anyway I'll (multiple speakers 57:58). No, Brian, I'll pass it over to Sean. Sean?

Sean Quinn:

Sure. We did have the reassessments in 2017 and we put I think \$70 million aside, which we expect we'll have to post in the form of a letter of credit. The problem does diminish. The problem with the CRA continues, but the size of the problem diminishes over 2018, 2019, 2020 as the pounds that were sold through our offshore trading structure diminished. I don't have the exact size of the diminishment in front of me, but it does get smaller as we look forward.

Brian MacArthur:

Great. That's very helpful. Thanks, Sean.

Tim Gitzel:

Thank you, Brian.

Operator:

This concludes the question-and-answer session. I would like to turn the conference back over to Tim Gitzel for any closing remarks.



Tim Gitzel:

Well, thank you, Operator, and thank you to everyone who joined today. As Rachelle noted, if you have detailed follow-up questions related to the 2023 results or any questions that we didn't get to today, please send those into us and we're happy to address them directly.

We continue to believe that Cameco remains the best way to invest in the recovery of the nuclear fuel cycle and positive momentum behind nuclear energy. With 35 years of experience in this market, we've built a strong reputation as a proven and reliable supplier with a diversified production portfolio, a portfolio that provides us with the flexibility to work with our customers to ensure they maintain access to our reliable supplies to satisfy their ongoing fuel requirements.

The world has put a priority on achieving net zero carbon emissions in the decades to come, and it's become clear that there's no net zero without nuclear. I would go a step further and say, in fact, there's no nuclear without Cameco and Westinghouse, so it's also becoming clear that there's no net zero without Cameco. We believe we have the right strategy to achieve our vision of energizing a clean air world and we'll do so in a manner that reflects our values.

Thanks, everyone, again, for joining us today. Stay safe and stay healthy in 2024. Thank you.

Operator:

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