INITIATING COVERAGE

Cameco Corp.

(CCO-T: C$22.00)

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BUY, High Risk

Dundee target: C$25.20

Initiating Coverage: More Focused Strategy Likely to Pay Off

CCO-T	New	Last
Rating	--	**Buy**
Target	--	**25.20**
Risk	--	**High**
Projected Return	--	15%
Target/NAV multiple	--	1.20
2014E - 10% DCF Corporate Value	--	15.04
2013E Year-end Cash etc.	--	0.74
2013E Additional Resource Value	--	6.41
NAV	--	22.19
P/NAV	--	0.99x

Company Data		
Last Price		C$ 22.00
52-week Range	C$ 16.50 -	C$ 23.49
Market Cap ($MM)		C$ 8,545
Enterprise Value ($MM)		C$ 8,294
Shares Outstanding - Basic (MM)		395.4
Shares Outstanding - FD (MM)		404.9
Avg Volume - 100d (000 shares/day)		1,194.9
Cash ($MM)		C$ 577.21
Debt ($MM)		C$ 1,352.95
Working Capital ($MM)		C$ 1,102.37
Dividend Yield		0.45%

Forecast	2012A	2013E	2014E	LT
Spot (US$/lb)	49	54	65	65
Term (US$/lb)	60	65	65	65
Realized Prices (US$/lb)	47.6	48.3	54.4	65
Revenue ($MM)	2,342	2,384	2,708	
EPS GAAP	$0.67	$1.03	$1.27	
P/E	32.84x	21.36x	17.32x	
EBITDA ($MM)	583	663	812	
EV/EBITDA	14.22x	12.50x	10.21x	
Interest Coverage	3.61x	5.21x	6.43x	
OP CF	644	587	697	
CF/share	$1.63	$1.48	$1.76	
Capex ($MM)	734	732	657	
FCF ($MM)	(90)	(146)	40	
FCF Yield	-1.05%	-1.70%	0.47%	

All Figures in C$ Unless Otherwise Noted

Source: FactSet, Company Reports, DCM

CCO-T: Price/Volume Chart

Source: Factset

Company Description

Cameco is one of the world's largest uranium producers at 14% of global production. It has interest in ~1B lbs of U3O8 resources, including the two largest ultra-high grade deposits - McArthur River and Cigar Lake. About 33% of revenue is from Fuel Services and Electricity generation and it has recently acquired uranium trading business NUKEM.

We are initiating coverage of Cameco Corp. with a BUY recommendation and a 12-month share price target of C$25.20. Cameco has curtailed some growth plans, spread capital spending over longer periods, targeted mainly brownfields exploration, concentrated on stable jurisdictions, become more selective on which projects to advance, streamlined operations, the organization and cut admin costs. The goal is to retain a competitive edge and return value to shareholders.

Industry leader. The largest publically traded uranium company, Cameco is often partner of choice. Canadian focused with a significant market cap in an otherwise small sector, as Cameco often becomes the go-to name for seeking uranium exposure. Massive resources, large production, longevity and mining method and geopolitical diversity add to its appeal.

World class assets. Cameco accounts for 14% of world production with five producing assets located in three top uranium jurisdictions. Over 1 B lbs U3O8 in resources are being leveraged into 64% production growth to 36 MM lbs by 2018 over 21.9 MM lbs last year. Long awaited Cigar Lake production is imminent.

Defensive choice. Becoming all the more important as uranium prices creep towards the US$40/lb U3O8 mark, Cameco's ISR and ultra-high grade mines help it maintain operations in the lower half of the uranium cost curve at US$28/lb U3O8. It can also maintain relatively stable and predictable revenue stream given its contract mix and 33% exposure to non-uranium sector revenue streams.

Vertically integrated. Uranium production prowess is augmented by its Fuel Cycle, Electricity Generation and Nuclear Fuel Trading business units. Conversion capacity accounts for 35% of western world, and half of the Canadian fleet is serviced with Cameco fuel pellets, fuel bundles and heavy water. Bruce Power LP is the vehicle for nuclear energy investment. NUKEM strengthens the uranium trading business, adding ~$100 MM CF pa. Early investment in the Laser Enrichment segment may help gain entrance into the second largest value added uranium fuel cycle sector.

Strong management capability. Mr. Tim Gitzel, President and CEO, has an eye for optimization and acquisition value. The company has a history of delivering on its production objectives, and successful organic and non-organic growth.

Cash available. A history of cash acquisitions and ability to be opportunistic and has been less dilutive for shareholders. Unprecedentedly low valuations in the sector are coupled with an attempt to become a leaner, more nimble and aggressive firm.

Evolving exploration mandate. The new exploration strategy is clear - be definitive and aggressive, advance the project or move on. Make decisions quickly. We now expect an increasing proportion of expenditures on or around existing mine sites.

Conservative valuation. We model revenue generating operations using an 8% DCF valuation and 1.2x NAV multiple given a relatively lower risk assessment due to parallel revenue streams and incorporate Cameco's contracting strategy. We provide value for additional resources, strategic partnerships, cash and investments.

Contents

Cameco Corp.				CCO-T	C$ 22.00
Rating	BUY	C$ Target	$25.20	Shares O/S (MM)	395.4
Risk*	High	C$ Close	$22.00	Float (MM)	393.4
				Fully Diluted Shares (MM)	404.9
12-month return	15%			Basic Mkt. Capitalization ($MM)	C$ 8,698.7

All figures in C$, unless stated otherwise

EVALUATION DATA				
Year-end Sep.	2011A	2012A	2013E	2014E
EPS	$1.14	$0.67	$1.03	$1.27
P/E	19.5x	32.9x	20.8x	16.8x
CFPS before changes in WC	$2.01	$1.63	$1.48	$1.76
P/CF	11.1x	13.5x	14.5x	12.1x
market cap/reserve oz				$18.70
enterprise value/reserve oz				$20.37
market cap/resource oz				$8.73
enterprise value/resource oz				$9.51
ASSUMPTIONS	**2011A**	**2012A**	**2013E**	**2014E**
Uranium Realized Price US$/lb	44.21	47.62	48.28	54.40
Exchange US$/C$	1.01	1.00	0.98	0.97

Dundee Modelled Reserves and Other Mineralization (MM Lbs)

RESERVES & RESOURCES (as of Dec 2012)					
	Ownership	Tonnes MM t	Grade % U3O8	Cont U3O8 (MM lbs) 100% Basis	CCO Share
Proven and Probable Reserves					
McArthur River		1,050.6	16.36%	378.9	264.5
Cigar Lake		537.1	18.30%	216.7	108.4
US ISR		7,128.1	0.10%	14.9	14.9
Inkai		63,805.4	0.07%	93.8	53.9
Other		1,529.8	0.69%	23.5	23.4
Total Reserves		74,051.0	0.45%	727.8	465.1
Measured and Indicated Resources					
McArthur River		97.2	5.65%	12.1	8.5
Cigar Lake		44.4	2.27%	2.2	1.1
US ISR		40,631.9	0.09%	80.3	80.3
Inkai		28,992.7	0.08%	48.6	28.0
Other		6,226.9	1.55%	212.9	126.2
Total Measured and Indicated Resources		75,993.1	0.21%	356.1	244.1
Inferred Resources					
McArthur River		329.4	7.78%	56.5	39.5
Cigar Lake		373.4	12.01%	98.9	49.5
US ISR		10,749.5	0.07%	15.8	15.8
Inkai		254,606.1	0.05%	255.0	146.6
Other		1,573.9	1.47%	50.8	35.5
Total Inferred Resources		267,632.3	0.09%	477.0	286.9
TOTAL RESOURCE		417,676.4	0.17%	1,560.9	996.1

PRODUCTION ESTIMATES (lbs)					
Year-end Dec.	2012A	2013E	2014E	2015E	2016E
McArthur & Key Lake	13,600	13,400	13,100	13,100	13,100
Rabbit Lake	3,800	4,200	4,200	4,200	4,200
US ISR	1,900	2,600	3,300	3,400	3,500
Inkai	2,600	2,900	2,900	2,900	2,900
Cigar Lake	0	300	1,900	5,500	7,900
Sub total	21,900	23,400	25,400	29,100	31,600
TOTAL CASH COST ESTIMATES (excl. non-cash) (C$/lb)					
Year-end Dec.	2012A	2013E	2014E	2015E	2016E
McArthur & Key Lake	19	20	21	22	22
Rabbit Lake	34	34	35	35	36
US ISR	24	24	24	24	24
Inkai	17	17	17	17	17
Cigar Lake	0	161	61	28	26
Wt. Ave.	22	24	26	25	25

NET ASSET VALUE (beginning 2014)	0% NAV (C$MM)	C$/share	10% NAV (C$MM)	C$/share
Corporate DCF	11,409	28.86	5,948	15.04
Cash and Investments	293	0.74	293	0.74
Exploration & unmodelled Resources	2,533	6.41	2,533	6.41
Total	14,236	36.00	8,775	22.19
Dundee DCF Target Multiple				1.2x
Share Price Target				**25.20**

NAV & Price Target Sensitivity to Long-term Uranium Price Assumption

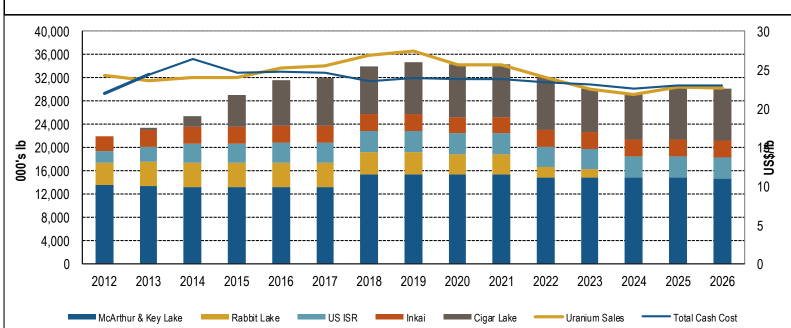
	Long Term Uranium Price Assumption (US$/lb)				
NAV (C$/share)	40	50	60	70	80
0% Discount	13.88	23.15	31.81	40.18	48.53
5% Discount	11.78	17.66	23.23	28.69	34.15
8% Discount	10.96	15.58	$\boxed{20.01}$	24.37	28.73
15% Discount	9.76	12.64	15.44	18.22	21.01

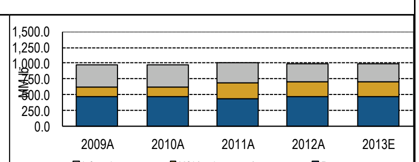
Year-end December				(000$)
BALANCE SHEET	**2011A**	**2012A**		**Q1/13**
Assets				
Cash & ST Investments	399,279	749,824		577,205
Other Current Assets	2,186,055	1,418,097		1,082,724
Current Assets		2,167,921		1,659,929
Mineral Properties	4,532,107	5,249,099		5,012,358
Other non-current Assets	684,390	798,000		932,417
Total Assets		8,215,020		7,604,704
Liabilities				
Current Liabilities	669,078	707,812		557,562
Capital lease / LT Debt	(55,370)	1,292,440		1,292,670
Other non-current Liabilities	2,082,618	1,270,501		804,900
Total Liabilities		3,270,753		2,655,132
Capital Stock	1,998,046	2,020,459		2,028,234
Retained Earnings	3,107,459	2,923,808		2,921,338
Total Shareholder Equity		4,944,267		4,949,572

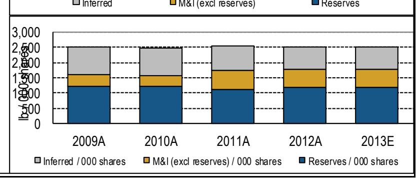
EARNINGS SUMMARY	2011A	2012A	2013E	2014E
Revenue				
Uranium	1,651,540	1,575,513	1,464,345	1,794,639
Fuel Services	305,000	277,520	308,598	355,065
Power	427,864	468,438	442,716	455,546
Other	29,467	20,745	13,763	8,145
Total Revenue	2,413,871	2,342,216	2,229,422	2,613,395
Uranium costs	1,333,449	1,260,322	1,373,338	1,545,680
Other Costs	26,910	181,911	52,358	246,474
DD&A	335,337	293,429	293,516	278,784
Exploration	173,044	97,169	87,683	80,000
S, G&A	157,476	181,248	198,392	190,000
EBIT	387,655	328,137	224,135	272,457
FX Gain	-	(415)	-	-
Interest	(73,668)	(80,349)	(71,001)	(82,908)
Writedown of min. properties	-	-	-	-
EBT	313,987	247,373	153,135	189,549
less Tax	11,755	(46,376)	(57,543)	56,573
Net Income (reported)	450,404	264,583	210,678	132,976
Average shares (MM)	394.7	395.2	395.4	395.4

STATEMENT OF CASH FLOWS				(000$)
	2011A	2012A	2013E	2014E
Net Income (000's$)	450,404	264,583	405,530	503,543
D, D&A	335,337	293,429	293,516	278,784
Future income taxes	(18,861)	(82,282)	(28,118)	-
Writedown of min. properties	-	-	-	-
FX Gain	(16,945)	79,908	1,543	-
Change in working capital	(117,867)	(73,518)	(95,000)	(85,000)
Other Operating	160,111	161,792	9,519	-
Total Operating CF	792,179	643,912	586,991	697,327
Short term investments	684,762	754,434	50,773	-
Mineral Properties	(647,210)	(733,648)	(732,500)	(657,379)
Acquisitions	-	(576,408)	(126,197)	-
Increase in Investments	3,186	3,315	-	-
Other Investing	9,471	(26,294)	(118,068)	-
Total Investing CF	50,209	(578,601)	(925,992)	(657,379)
Equity financing	14,336	7,033	-	-
Debt Issue	12,105	527,606	-	200,000
Debt Repayment	(14,713)	(35,629)	(106,590)	-
Other financing	(193,338)	(212,022)	(181,537)	(158,142)
Total Financing CF	(181,610)	286,988	(288,127)	41,858
Foreign Exchange effect	7,618	(559)	4,496	-
Change in cash	660,778	351,740	(622,632)	81,806
Cash & ST Inv., end of year	399,279	749,824	126,761	208,567

Est. (C$MM)	2012A	2013E	2014E	2015E	2016E
EBITDA	583.38	663.38	812.10	1,039.34	1,202.31
EBIT	289.95	369.87	533.31	737.84	900.82
OP CF	643.91	586.99	697.33	809.55	875.32
FCF	(89.74)	(145.51)	39.95	230.61	470.35







Source: Company Reports, FactSet, Dundee Capital Markets estimates

INITIATING COVERAGE: BUY, HIGH RISK

Cameco Corp: World Class Producer's More Focused Strategy is Likely to Pay Off

Partially driven by a transition into new senior management team, Cameco has become focused on trying to create a leaner, more nimble and aggressive company. While production continues on a strong upward trajectory, it is no longer growth at any cost. Recognizing the current US$40/lb U3O8 climate, Cameco has curtailed some growth plans, spread capital spending over longer periods, targeted mainly brownfields exploration targets, concentrated on stable jurisdictions, become more selective on which projects to advance, and streamlined operations, the organization and cut administration costs. Ultimately the goal is to retain its competitive edge and return value to shareholders. The stock rallied shortly after its Q1/13 announcement and its AGM conference call in May, having only recently come under pressure due to lower uranium prices.

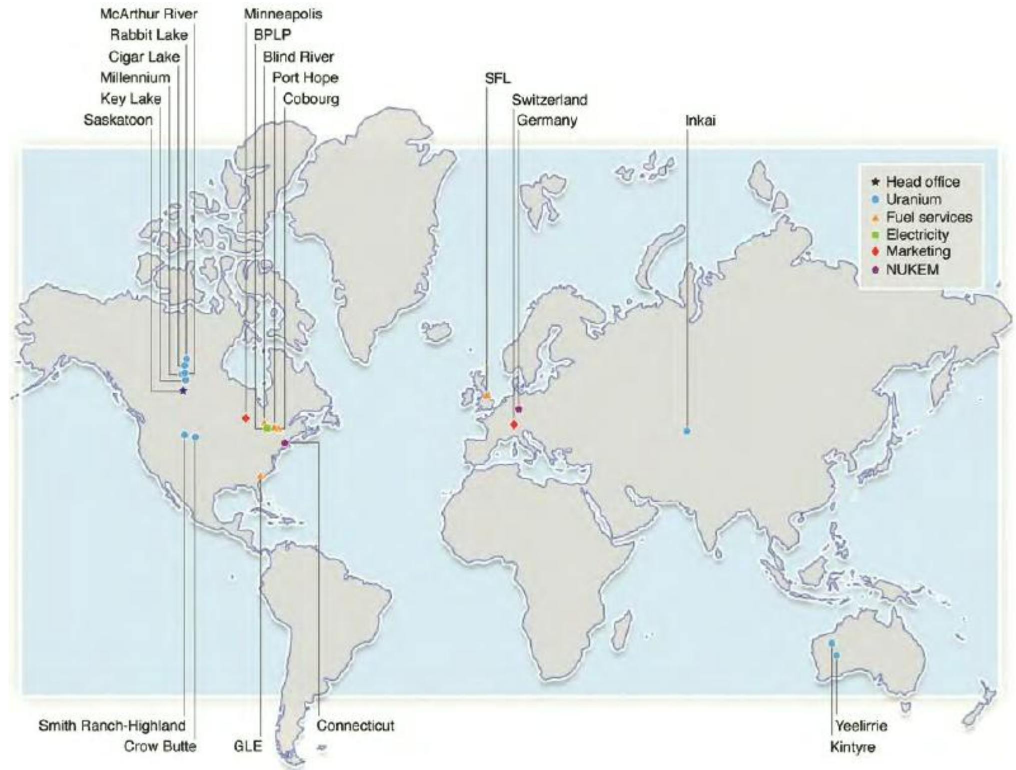
Cameco is the world's largest publicly traded uranium company. It has a most impressive and extensive suite of exploration, development and production stage assets, primarily in Saskatchewan, Kazakhstan, U.S. and Australia. Cameco has controlling stakes in the world's two highest-grade uranium deposits - McArthur River Mine and Cigar Lake project (opening soon) in Saskatchewan, which combine for almost 600 MM lbs of uranium reserves. Nothing in the world compares to McArthur River. Ore grades exceed world average by 100 times with material processed at Key Lake, the world's largest uranium mill. The mine has produced 231 MM lbs of ore since 2000, and reserves have decreased only slightly from 395 MM lbs to 379 MM lbs.

Cameco operations provide ~14% of world uranium mine production, ranking third among producers globally, and its development pipeline is almost as impressive. However, Cameco is somewhat protected from downturns in uranium prices as 40% of its business is diversified elsewhere. Cameco is a major supplier of uranium conversion services through its Port Hope and Blind River facilities. To gain further market share in the growing uranium enrichment sector, Cameco is a stakeholder in new Laser Enrichment technology (nuclear fuel by value is 50% uranium and 35% enrichment). It also part owns Bruce B Power which operates four CANDU nuclear power plants capable of supplying 20% of Ontario's power needs. The NUKEM acquisition helps expand uranium sales and trading, and adds knowledge and insight in the secondary supply market.

With the Chinese nuclear build rapidly progressing, Japanese reactors preparing to return to service, long term contracting anticipated to pick up, the end of the HEU agreement, and in our view perhaps on the most important issue - uranium project cancellation, deferral and mine closures, we expect uranium prices to turn around in H2/13 and gain strength in 2014. As a result, we expect more money to flow into Cameco than perhaps the rest of the uranium sector combined. Given Cameco's size, massive high grade and low cost operations, diversified mining methods and jurisdictions (presence in almost all significant uranium mining regions of the world), and strong balance sheet it has become the GO TO uranium stock. While not as leveraged to rising uranium prices as some of its peers, we certainly recognize that for various reasons many investors take positions in Cameco as their only uranium sector holding. We don't expect this to change.

We are initiating Cameco Corp. with a BUY, High Risk and a 12-month share price target of C$25.20. We model revenue generating operations using an 8% DCF valuation and 1.2x NAV multiple given a relatively lower risk assessment due to parallel revenue streams in the uranium, fuel cycle, electricity generation and fuel trading sectors. We provide value for additional resources not run through our DCF (including development and exploration projects) and for strategic partnerships, cash and investments.

Figure 1: Cameco has a truly global presence.

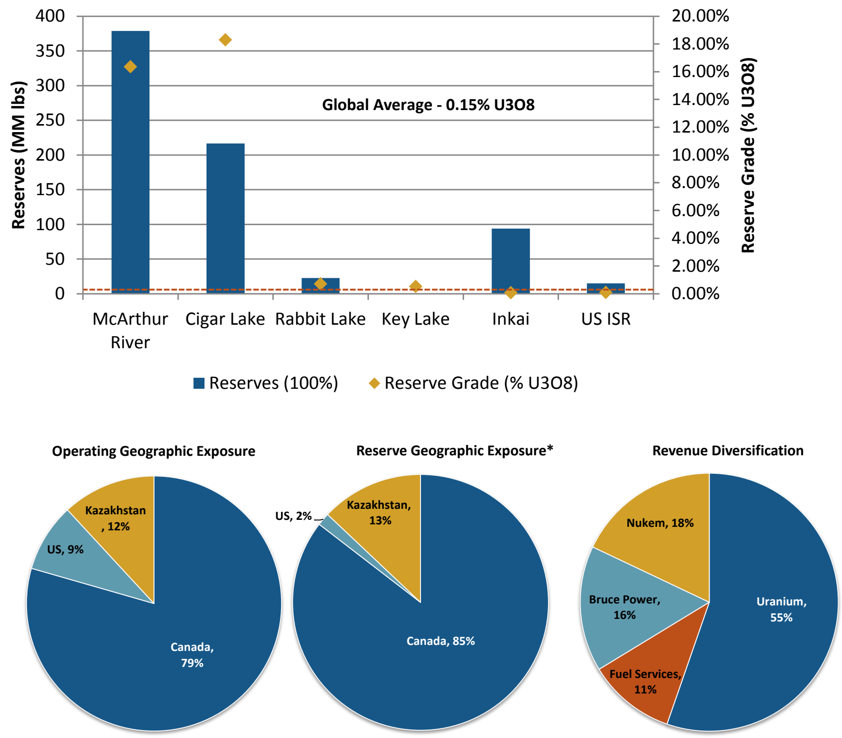


Source: Company Reports

CAMECO PROVIDES SEVERAL REASONS TO OWN THE STOCK

- **Large, long life, low cost assets.** Cameco likely has the most geographically diverse asset base in the industry with five producing assets in three of the world's most uranium prolific jurisdictions - Canada, U.S., and Kazakhstan (Figures 1 & 2, Table 1). It is a leading low-cost producer with nearly ~1 B lbs in uranium resources. Production was 21.9 MM lbs in 2012, with the world class McArthur River the largest contributor making up over 50%. Cameco has the goal of reaching 36 MM lbs pa production by 2018, revising down its once dubbed 'Double-U' strategy due to current market conditions. While we expect production expansions at McArthur River, Inkai and potentially the US ISR operations, long awaited initial production from Cigar Lake deposit in H2/13 is key. Cigar Lake is expected to ramp up to ~18 MM lbs by 2018, or 9 MM lbs pa attributable (50%).

Figure 2: Production, reserve and revenue diversification.



**On a resource basis, Canada makes up 61%, Kazakhstan 23%, US 11% and Australia 5%.*

Source: Company Reports, Dundee Capital Markets

Table 1: Cameco revenue generating operations summaries.

Canada -	Ownership	
McArthur River, Saskatchewan	70%	World's largest, high-grade, underground uranium mine producing 19.5 MM lbs U3O8 pa, or 13% of global uranium production.
Key Lake, Saskatchewan	83%	Dedicated to open-pit uranium mining through the 1970s to 1990s. Now the largest uranium mill in the world processing ore from McArthur River.
Cigar Lake, Saskatchewan	50%	World's largest undeveloped, underground uranium project. Construction began in 2005. First ore commissioning expected by H2/13.
Rabbit Lake, Saskatchewan	100%	Longest operating uranium production facility in Saskatchewan, beginning in 1975. New mineral reserves have extended the estimate mine life to 2017.
Port Hope, Ontario	100%	One of only four suppliers of UF6 in the western world. World's only commercial supplier of natural uranium dioxide used to manufacture fuel for the Candu reactors.
Blind River, Ontario	100%	World's largest refinery where uranium concentrates are processed into high-purity UO3, an intermediate product used as feed at the company's Port Hope conversion plants.
Caneco Fuel Manufacturing, Ontario	100%	One of two Canadian nuclear fuel manufacturers and the largest Canadian-based supplier of components for Candu reactors.
Bruce Power (Bruce B, BPLP)	32%	Cameco produces electricity through its share of Bruce Power. Currently operates four nuclear power plants with a net generation capacity of 3,260 megawatts.

US -	Ownership	
NUKEM, US (and Germany)	100%	NUKEM is one of the world's leading traders and brokers of nuclear fuel products and services. Cameco completed its acquisition of the company on 9-Jan-13.
Smith Ranch-Highland, Wyoming	100%	Uses ISR to extract uranium. Smith Ranch mill processes all the uranium.
Crow Butte, Nebraska	100%	Uses ISR to extract uranium. Together with Smith Ranch-Highland , Cameco is the largest uranium producer in the US.

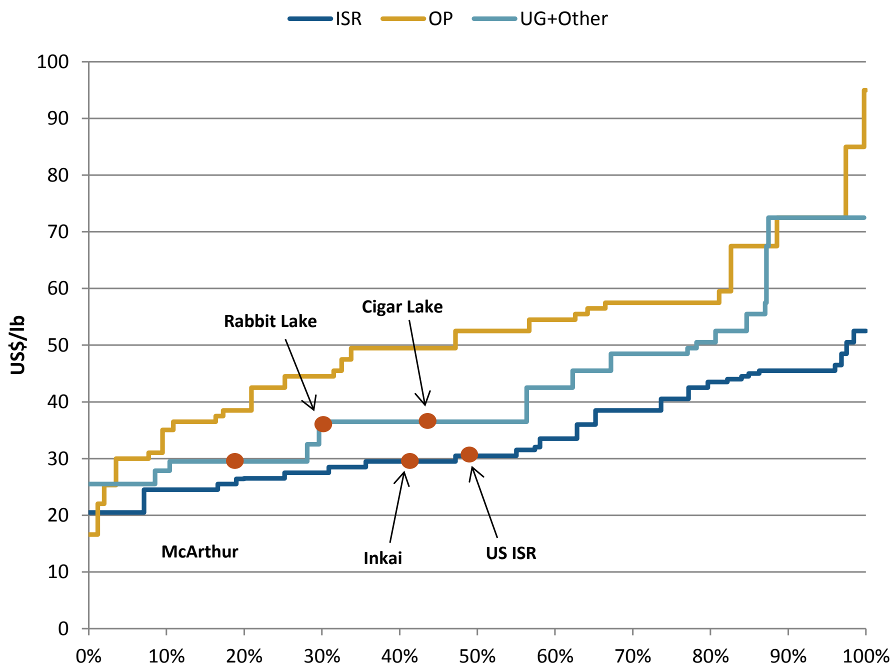
United Kingdom -	Ownership	
Springfields Fuels Ltd., Lancashire	n/a	Springfields is the worlds newest UF6 plant. Have a 10 year agreement where Springfields converts for a fee.

Kazakhstan -	Ownership	
Inkai	60%	Uses ISR to extract uranium. Production began in 2009, with 2.6 MM lbs produced in 2011.

Source: Company Reports, Dundee Capital Markets

- **Defensive choice.** Cameco remains the defensive name of choice given its low operating costs (high grades and ISR production combined for US$28.08/lb total production costs in 2012) and hedged production portfolio. It has significant long-term contracts in place with a 40:60 fixed-price and market-related contract mix. The result of this mix is a more stabilized realized price range. We expect Cameco to sell uranium at prices above current spot prices, but it will vary year-to-year. So, while downside is limited, so too is upside with the company reporting a realized sales price of US$47.62 in 2012, 1.6% lower than spot for the period at US$48.40/lb.

Figure 3: Cameco projects dominantly lie within the lower half of the uranium cost curve.



Source: UxC, Dundee Capital Markets

- **Vertically integrated.** Unlike other public traded uranium companies, Cameco is a producer, refiner, convertor and fuel manufacturer. It boasts 35% of western world's conversion capacity. This diversifies revenue sources and allows for coordinated activities between operations and fuel services. This provides a leg up in terms of bargaining power and customer relationships and should bode well in the long-term, considering the massive barriers to entry in these sectors. Ownership in Bruce Power provides a stable and predictable vehicle for investment in generating nuclear energy. We expect this to remain a steady cash flow generator for at least the better part of this decade. Its recent acquisition of NUKEM further strengthens the company's existing uranium trading business, giving Cameco better access to secondary markets, increasing market share and adding significant market expertise.
- **Ample management capability.** Cameco executives and Board of Directors include a suite of industry veterans, academics, politicians and those who have been with Cameco for most of their careers. Tim Gitzel, President and CEO, has over 25 years uranium industry experience, holding senior roles at AREVA before joining Cameco in 2007. In our opinion, as an operations guy, Mr. Gitzel has the skill set to recognize necessary improvements at the operations, and value in potential acquisition projects. He also has a more aggressive, yet disciplined approach than his predecessor. Management has consistently demonstrated its ability to deliver on production objectives (Table 2). Going forward the onus is largely on management to meet growth expectations. Cameco has successfully grown both organically and through acquisition over the years - including

the Kintyre (US$350 MM) and recent NUKEM (US$140 MM) and Yeelirrie (US$430 MM) transactions. We consider the NUKEM deal especially accretive as it is expected to add ~$100 MM cash flow per year and further position Cameco as a leader in the nuclear fuel product and service trading business.

Table 2: 5-year historical production profile (attributable basis).

	Production		
Year	Guidance	Actual	Variance (%)
2008	20.6	17.3	-16.02%
2009	20.1	20.8	3.48%
2010	21.5	22.8	6.05%
2011	21.9	22.4	2.28%
2012	21.7	21.9	0.92%

Miss due to equipment and process issues at McArthur and Key Lake

Source: Company Reports, Dundee Capital Markets

- **Cash in the bank to seize opportunities.** Cameco had $577 MM cash at 31-Mar-13 and roughly $1.4 B in undrawn lines of credit. Although not publically on the lookout for further acquisitions, we doubt its mandate has changed, and suggest if large, potentially long life quality assets are for sale in the Athabasca or some of the worlds key uranium districts, Cameco will likely play. It has ~$500 MM left in its preliminary base shelf prospectus, filed 22-May-12, and we doubt that Cameco would have any problem attracting institutional investor interest should it decide to come to market. Along with its current cash position, Cameco has significant firing power to take advantage of unprecedentedly low valuations in the uranium space, and has the balance sheet to pay higher than its peers for the best and largest development projects.

STRATEGY SHIFT - 36 MM LBS BY 2018

- **Production comes at a price.** Cameco was not willing to achieve its Double U strategy at any cost. Sagging uranium prices certainly made that an easier decision. Kintyre in Australia is potentially the swing deposit as Cameco suggests it needs at least US$67/lb and likely an expanded resource base to move forward. Instead focus will be spent on expanding and refining brownfields projects. At existing operations, enhancing production profiles while reducing costs is the goal. The result is a decline of about 10% of extended production by 2018. Capital will now be spread over a longer period. We applaud the shift, and consider management's choice prudent in today's 'uncertain' uranium environment. We note that we don't quite model 36 MM lbs for Cameco by 2018, but come up a couple of million pounds short. However, should Inkai production double and further US production come online, then perhaps Cameco will reach its targets. We see permitting and delays due to current uranium prices as the largest risks to Cameco realizing its growth profile.
- **Growth targets taking many forms:** We expect first production shortly from the 18 MM lb Cigar Lake mine (although we believe that much of its production share largely offsets what Cameco is going to lose in sales once the HEU agreement goes offline); a McArthur River expansion to 22 MM lbs; extended Rabbit Lake mine life due to ongoing reserve replacement; expanded US ISR production through advancement of satellite deposits; and by-product uranium from the Talvivaara nickel mine in Finland.

ALL EYES ON CIGAR LAKE COMMISSIONING

- **Cigar Lake commissioning imminent.** Progress continues to be made at Cigar Lake, including preliminary commissioning, infrastructure installation, and underground assembly of the first jet boring system. Multiple holes have already been drilled, but jet boring itself has yet to be completed. In June/July there will be system tests in waste rock. Cameco maintains a mid-2013 start date for commissioning with first packaged pounds due in Q4/13. Cigar Lake ore will be toll milled at the McClean Lake mill. We ultimately expect Cameco's 50% interest in Cigar Lake to provide 9 MM lbs annually or 26% of its attributable production. A $150 MM McClean Lake mill expansion is required to increase capacity from 13 to 24 MM lbs pa. This is to be completed in 2016.

BUY RECOMMENDATION BUT CONSERVATIVE BIAS

We are initiating coverage on Cameco Corp. with a BUY rating and 12-month share price target price of C$25.20 (Table 3). We used a 8% DCF for all operations, assumed a $200 MM debt financing in 2014, and $300 MM debenture rollover in 2015, and applied a 1.2x multiple to derive our target price, crediting Cameco for its industry-leader status and relatively low risk profile. Our long term uranium price assumption of US$65/lb U_3O_8 was employed, but in early years we factor current uranium prices into Cameco's long term contracting strategy as outlined in its quarterly reports. Completion of construction/rehab at Cigar Lake and its eventual project goes a long way in generating free cash flow for Cameco (Figure 4). We have also modeled the traditional Saskatchewan royalty structure at the SK operations, although the royalty regime is set to change, and it appears to be more favorable for Cameco, basing royalties on profits rather than revenue.

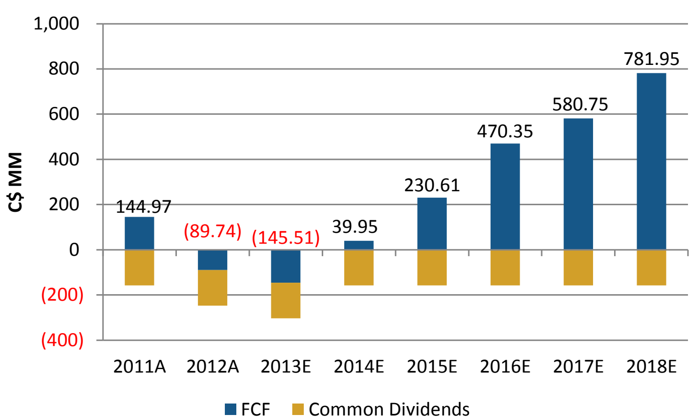
Table 3: Cameco net asset valuation (post-financing) and sensitivity of NAV at various discount rates.

	Target Setting NAV			NAV at Various Discount Rates					
				0%		5%		15%	
	Discount Rate	($MM)	($/Share)	($MM)	($/Share)	($MM)	($/Share)	($MM)	($/Share)
Uranium Assets									
McArthur & Key Lake	8%	2,622	6.63	5,059	12.80	3,297	8.34	1,646	4.16
Rabbit Lake	8%	385	0.97	357	0.90	380	0.96	382	0.97
US ISR	8%	667	1.69	1,271	3.22	833	2.11	428	1.08
Inkai	8%	792	2.00	1,391	3.52	959	2.43	549	1.39
Cigar Lake	8%	1,277	3.23	2,226	5.63	1,552	3.93	855	2.16
Total Uranium Assets		**5,743**	**14.52**	**10,305**	**26.06**	**7,021**	**17.76**	**3,860**	**9.76**
Other Assets									
Fuel Services	8%	572	1.45	1,181	2.99	728	1.84	368	0.93
BPLP	8%	1,297	3.28	2,656	6.72	1,645	4.16	839	2.12
NUKEM	8%	1,082	2.74	2,100	5.31	1,346	3.40	726	1.84
Un-mined Resources		2,533	6.41	2,533	6.41	2,533	6.41	2,533	6.41
Cash		127	0.32	127	0.32	127	0.32	127	0.32
Investments		167	0.42	167	0.42	167	0.42	167	0.42
Exploration, G&A, Other		-2,746	-6.94	-4,833	-12.22	-3,300	-8.35	-1,965	-4.97
Net Other Assets		**3,032**	**7.67**	**3,931**	**9.94**	**3,246**	**8.21**	**2,794**	**7.07**
Net Asset Value		**8,775**	**22.19**	**14,236**	**36.00**	**10,267**	**25.97**	**6,654**	**16.83**
Share Price			**22.00**		**22.00**		**22.00**		**22.00**
P/NAV			**0.99x**		**0.61x**		**0.85x**		**1.31x**

	NAV Multiple		
Uranium Assets	14.52	1.2x	17.43
Fuel Services	1.45	1.2x	1.74
BPLP	3.28	1.2x	3.94
NUKEM	2.74	1.2x	3.28
Exploration, G&A, Other	-6.94	1.2x	-8.33
Un-mined Resources	6.41	1.0x	6.41
Cash	0.32	1.0x	0.32
Investments	0.42	1.0x	0.42
Dundee Price Target	**22.19**		**25.20**

Source: Company Reports, FactSet, Dundee Capital Markets

Figure 4: Free cash flow generation and FCF yield projections and sensitivity.



	Spot Uranium ($40.00/lb)		$45/lb		$50/lb		$60/lb		$70/lb	
	FCF ($MM)[1]	Yield (%)[2]	FCF ($MM)	Yield (%)	FCF ($MM)	Yield (%)	FCF ($MM)	Yield (%)	FCF ($MM)	Yield (%)
2013	(181.39)	-2.16%	(145.51)	-1.73%	(109.63)	-1.31%	31.02	0.37%	117.14	1.39%
2014	(136.01)	-1.62%	(80.45)	-0.96%	(24.90)	-0.30%	87.79	1.05%	199.23	2.37%
2015	(51.69)	-0.62%	5.49	0.07%	62.76	0.75%	179.00	2.13%	293.89	3.50%
2016	182.53	2.17%	237.84	2.83%	295.01	3.51%	413.79	4.93%	541.45	6.45%
2017	288.80	3.44%	344.96	4.11%	405.31	4.83%	527.70	6.28%	648.66	7.72%
2018	195.28	2.33%	312.60	3.72%	431.33	5.14%	670.51	7.98%	908.59	10.82%
AVERAGE	**49.59**	**0.59%**	**112.49**	**1.34%**	**176.65**	**2.10%**	**318.30**	**3.79%**	**451.49**	**5.38%**

*In C$

[1]Adjusted free cash flow = Operating cash flow - Capex

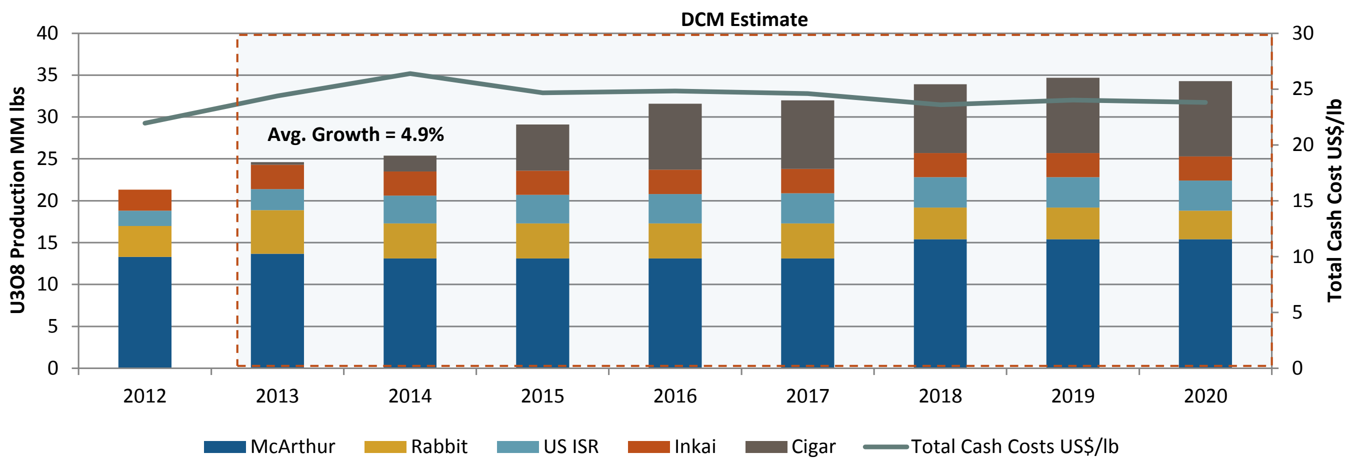
[2] Adjusted free cash flow as a % of current market capitalization

Source: Company Reports, FactSet, Dundee Capital Markets

- **High grade resources provide additional value.** We have attribute $5/lb in the ground for un-mined resources in the Athabasca, including Cigar, McArthur and Millennium, among others, while all other resources have been attributed US$1/lb. By comparison Cameco trades at an EV/lb of US$9.11 while its peer ground trades at $4.40/lb. Cigar, McArthur and Millennium are three of the highest grade deposits in the world, grading 18%, 17% and 5% U3O8 respectively. Further, we suspect that Cameco is probably capable of advancing such assets better than anyone else given its technical and financial expertise and ability to build and operate underground Athabasca-type unconformity deposits.
- **McArthur expansion modeled.** Recent resource expansion at McArthur River suggests potential for expansion. We have modeled in an expanded production rate of 22 MM lbs pa by 2018 (15.4 MM lbs attributable). Total cash costs including royalties average ~US$23/lb LOM.
- **Rabbit Lake resource expansion.** We modeled Rabbit Lake production through 2023, assuming Cameco can continue to find and convert resources into mine reserves. Cameco's mine exploration has been extremely successful over the past several years. We have assumed sustaining capital requirements of $40 MM pa throughout mine life and total cash costs of US$31/lb.
- **US ISR operations modeled as typical, low cost ISR.** Smith Ranch, Crow Butte, and North Butte have been modeled together for combined 2.6 MM lbs production in 2013, slightly below guidance due to a Q1/13 underperformance. Total cash costs average US$24/lb LOM. We ultimately believe that Cameco will be able to bring on additional projects, ramp up existing operations and toll mill for competitors at its Smith-Highland facility. There is plenty of capacity as the 5 MM lbs plant produced just 2.3 MM lbs last year. Our sustaining Capex assumptions reflect typical well field development costs in the US of US$10/lb. Despite other plants in the US we have assumed that Smith-Highland will remain Cameco's sole active processing facility.
- **Inkai and Cigar modeled as per technical reports.** We remained conservative in our evaluation of both projects, adding typically 5 to 10% both capital and operating costs. Otherwise assumptions and future production are mostly in line. Inkai averages US$18/lb LOM, ramping up modestly over last year to 2.9 MM lbs pa in 2013 (60% CCO share). We plan to model the proposed expanded 10.4 MM lb production rate and ownership structure (to 50%) at Inkai once relevant approvals are granted. Cigar averages US$24/lb LOM. We assume 300,000 lbs of attributable production with a ramp up to 9 MM lbs pa by 2019 (50% CCO share).
- **Fuel Services and Bruce Power.** Utilizing historical data and projected growth rates in these two respective industries we believe we have conservatively forecasted production (or electricity generation) volumes, costs, and prices for the business units. Both operations retain similar margins going forward, but due to growth in the uranium business unit, Cameco's proportion of revenue per unit begins to decline. We have now started to model Bruce Power using equity account methods.

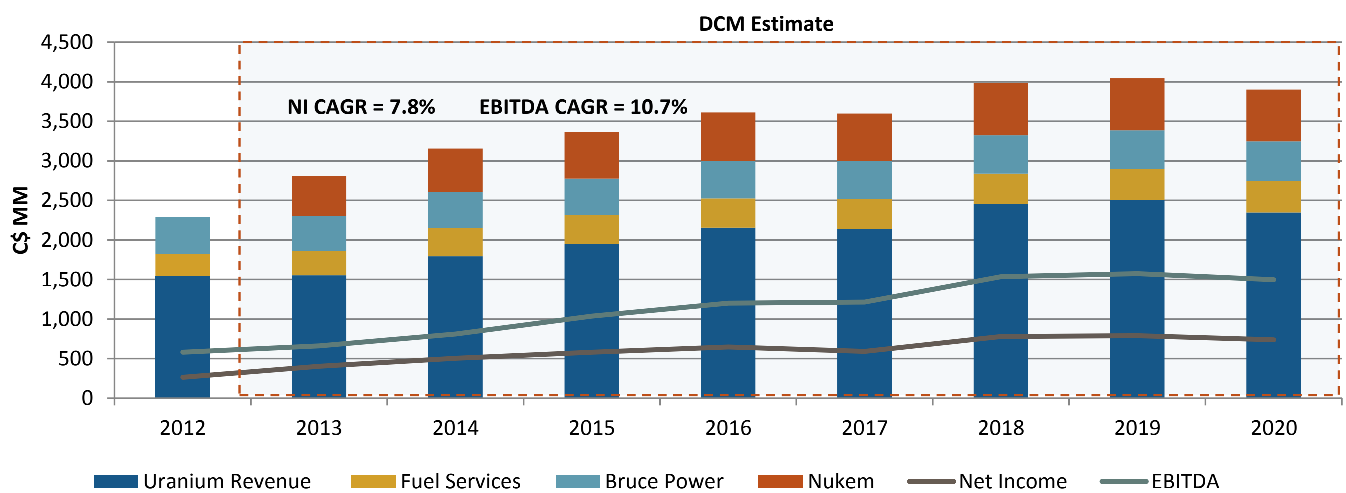
- **Kintyre and Yeelirrie modeled at multiples to purchase (book).** Rather than account for either deposit using pounds in the ground valuation, we decided to apply multiples to book. For Kintyre we used a 0.9x multiple to the transaction price less the recent $168 MM impairment charge. Cameco purchased Kintyre in August 2007 as uranium prices were still US$90/lb. We gave Yeelirrie full value because as it was just recently acquired and we see greater chance for it to be developed in the medium term.
- **NUKEM to add $100 MM pa cash flow.** We valued NUKEM using recent guidance, expecting 10 MM lbs of sales pa moving forward with 1-2% net margins, and expected gross profit of 3-5%. We estimate NUKEM adds ~$8.5 MM pa to the bottom line, and ~$100 MM pa CF after adding back non-cash items for about $2.41/sh.

Figure 5: Dundee assumptions - segmented production and total cash costs out to 2020.



Source: Company Reports, Dundee Capital Markets

Figure 6: Dundee assumptions - Net income, EBITDA and revenue growth split between Uranium, Fuel Services, Bruce Power and NUKEM.



Source: Company Reports, Dundee Capital Markets

Table 4: Dundee assumptions - resource, capital expenses, operating costs and production inputs for modeled operations.

*Cameco Share		McArthur & Key	Rabbit	US ISR	Inkai	Cigar
Total Resources						
Total Reserves	MM lbs U3O8	265.1	22.8	14.9	53.9	108.4
Total Resources (excl. Reserve)	MM lbs U3O8	48	16.7	96.1	174.6	50.6
Reserve Grade	% U3O8	16.36%	0.70%	0.10%	0.07%	18.30%
Project Interest	%	69.8%	100%	100%	60%	50%
Capital Expenditures						
Avg. Sustaining Capital pa	US$ MM	75	40	36	9	16
Total Capital	US$ MM	2,426	515	833	183	516
Operating Costs						
LOM Avg. Cash Cost	US$/lb	$17.93	$31.08	$24.48	$17.54	$22.38
LOM Avg. Total Cash Cost (incl. Royalties)	US$/lb	$22.68	$35.42	$24.48	$17.54	$27.28
LOM Avg. Total Production Cost (incl. D&A)	US$/lb	$34.16	$62.46	$42.33	$23.02	$36.00
Production						
LOM Avg. Production Rate	MM lbs pa	11.5	3.5	3.4	2.8	7.1
LOM Avg. Recovery	%	97.1%	96.7%	70.0%	85.0%	98.2%
Mill Grade	%	4.7%	0.8%	0.1%	0.1%	18.3%
Total Production	MM lbs pa	264	42	65	53	107
Commercial Mine Life (remaining)	Years	21	12	20	19	15
2014 DCF @ 5%	**US$ MM**	**3,433**	**368**	**792**	**913**	**1,861**
2014 DCF @ 8%	**US$ MM**	**2,734**	**337**	**634**	**755**	**1,542**
2014 DCF/sh @ 8%	**C$/sh**	**7.13**	**0.88**	**1.65**	**1.97**	**4.02**

Assumed $10/lb for well field expenditures on an ongoing basis post-ramp up

Relatively higher cost due to lower grade, and processing costs

Final slurry at 15% U3O8 sent to Key Lake mill and down blended to <5%

2012 MOA with Kazatomprom to increase annual production to 5.2 MM lbs pa (Cameco share)

Potentially longer mine life with reserve replacement

Source: Company Reports, Dundee Capital Markets

PEER COMPARISON…EXCEPT CAMECO HAS FEW PEERS

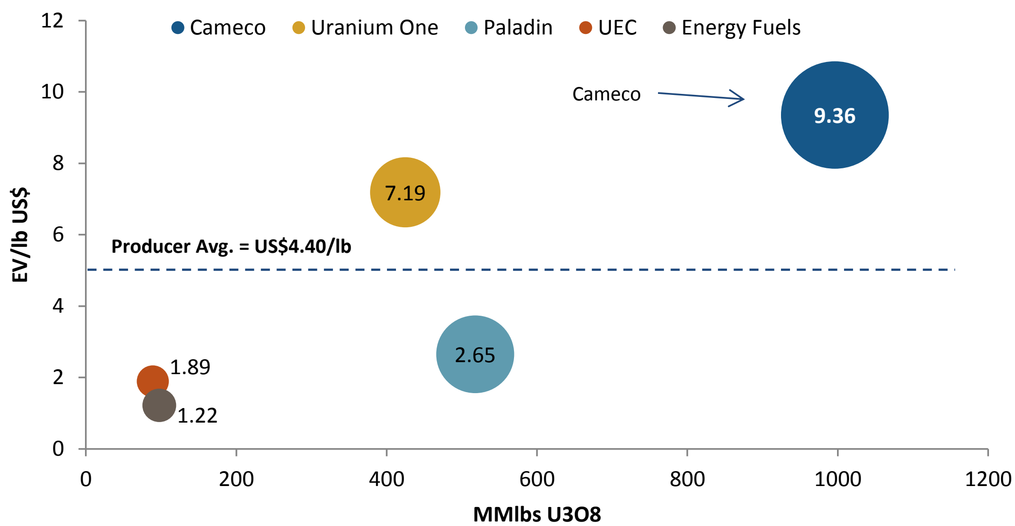
Cameco is truly a unique company in the uranium sector. While its focus is uranium mining, Cameco has interests in the rest of the fuel cycle including conversion, enrichment and fabrication, plus interest in an end user - Bruce Power LP. Perhaps the closest peer might be AREVA, the largely French-state owned vertically integrated uranium firm, although AREVA largely seems to concentrate on its reactor construction business - something Cameco doesn't have.

Cameco deservedly trades at a premium to its peers. Cameco trades at an EV of $9.36/lb of mineral inventory, more than double the premium given to the producer group as a whole. This is largely a deserved premium in our view given Cameco's diverse revenue mix, low cost, long life and high quality asset base (although we would also suggest that its peers are largely oversold in the current market). Uranium Energy (UEC-A, Buy, High Risk, C$3.40 Target) and Energy Fuels (EFR-T, Buy, High Risk, C$0.75 Target) are US based producers, while Paladin (PDN-T, But, High Risk, $2.40 Target) and Uranium One (UUU-T, Tender, High Risk, $2.86 Target) are larger scale international producers with multiple assets(Figure 7).

- **Cameco looks relatively undervalued.** Uranium One trades at a P/NAV of 0.77x (its take-over price), and an EV/EBITDA of 30.63x, and P/E of 39.36x. Meanwhile Cameco trades at a P/NAV of 1.0x, but lower EV/EBITDA of 15.74x and P/E of 19.47x based on adjusted earnings. Cameco looks relatively undervalued but UUU multiples represent a takeover premium that would not be baked into Cameco's multiples. Uranium One (pending its takeover) remains Cameco's closest peer based on production levels, number of operations and pipeline. However they are vastly different, including revenue mix, mine types and geographic location and geopolitical risk (Table 5). Uranium One drives 100% of its business from uranium, operating mines in Kazakhstan and the US, and is largely a partner of the operator, while Cameco is a more diversified producer that prefers to be in the driver's seat, operating predominantly in Canada and derives considerable revenue from non-uranium mining business units.

- **Yet to recover from Fukushima.** It's important to note that Cameco was once a $40 stock pre-Fukushima, and has yet to trade outside the $17-$26 range since June 2011. The stock hit a four year low of $16.87 on 16-Nov-12, with the prior low towards the end of 2008 (peak of the global financial crisis). But the stock is now performing in positive territory versus the beginning of 2013 (Figure 8)

Figure 7: Resource Size and EV/lb (US$) comparison chart. Cameco trades at a deserved premium to the peer average of US$4.40/lb given its industry leading status, diversified business model, growth upside, among others.



Producers:	Last Price C$	Shares O/S MM	Mkt. Cap C$ MM	Cash C$ MM	Debt C$ MM	EV C$ MM	Reserves MM lbs	Resources MM lbs	Total Compliant MM lbs	EV/lb US$/lb	Rating	Risk	Target C$	Performance 1 mo	Performance 3mo	Performance 6mo	Performance 1yr	NAV	P/NAV
Cameco Corp	22.00	395	8,544.53	577.21	1,352.95	**9,320.27**	465	531	996	**9.36**	Buy	High	25.20	1%	2%	10%	3%	**22.19**	**1.0x**
Uranium One	2.76	957	2,632.27	462.53	884.89	**3,054.63**	70	200	270	**11.30**	Tender	High	2.86	-1%	-1%	31%	4%	**3.56**	**0.8x**
Paladin Energy	0.99	837	803.70	114.82	684.44	**1,373.32**	163	332	496	**2.77**	Buy	High	2.40	3%	-7%	-12%	-24%	**2.40**	**0.4x**
Uranium Energy Corp	US 2.05	86	177.41	9.00	0.00	**168.41**	0	66	66	**2.55**	Buy	High	3.40	10%	-7%	-21%	-6%	**3.42**	**0.6x**
Energy Fuels	0.17	705	116.37	18.31	20.95	**119.02**	0	70	70	**1.69**	Buy	High	0.75	0%	6%	10%	-34%	**n/a**	**n/a**
AVERAGE						**2,807.13**				**5.53**				**3%**	**-1%**	**3%**	**-12%**		**0.7x**

Source: Company Reports, FactSet, Dundee Capital Markets

Table 5: Comparison of Cameco to Uranium One. Due largely to Uranium One's market cap, production rate and international presence, we compare it as perhaps the most similar uranium producer to Cameco.

		Cameco	Uranium One	Difference
Ticker		CCO	UUU	
Rating		Buy	Tender	
Share Price (18-June-13)	C$	22.00	2.76	
Shares Outstanding	MM	395.4	957.2	
Market Cap.	C$MM	8,544.5	2,632.3	
Cash (last reported) (1)	$MM	577	408	
Debt (last reported) (1)	$MM	1,353	2,153	
Enterprise Value	US$MM	9,320	4,377	
P/NAV (2)		0.99	0.77	
Reserves (3)	MM lbs	465.1	70.10	563%
Resources (3) (4)	MM lbs	531	200.26	165%
Average Mineral Inventory Grade (5)	% U3O8	0.17%	0.05%	228%
Number of Operating Assets (6)		7	8	
Revenue Mix:				
Uranium		66.60%	100%	
Other		33.40%	0%	
FY2012 Comparison				
Total Attributable Production	000 lbs	21,900	12,247	79%
Total Attributable Sales	000 lbs	32,500	11,695	178%
Average Realized Sales Price	US$/lb	47.62	48.00	-1%
Revenue	MM$	2,321	563	
Average Total Cash Cost per lb (7)	$/lb	23	16	43%
Cost of Sales	MM$	1,305	187	
Gross Margin		44%	67%	-34%
EBITDA	MM$	592	143	
EBITDA Margin		26%	25%	0%
EV/EBITDA		15.74x	30.63x	-49%
Net earnings/loss	MM$	265	-97	
Net Margin		11%	-17%	251%
Net loss/earnings per share	$/sh	0.67	(0.10)	115%
Adjusted net earnings	MM$	447	68	
Adjusted net earnings per share	$/sh	1.13	0.07	1514%
P/E		19.47x	39.36x	
Cash from Operations	MM$	644	180	
CF per share (8)	$/sh	1.63	0.19	764%
FCF (9)	MM$	(90)	15	-718%
FCF per share	$/sh	(0.23)	0.02	-1597%
FCF yield		-1.05%	0.55%	-290%
Cash and Cash equivalents	MM$	750	431	74%
Total Debt	MM$	1,399	698	100%
Debt to Total Assets		0.17x	0.22x	-21%
Debt to Equity		0.28x	0.37x	-24%
YoY Debt Growth		57%	-11%	

Spot for the period averaged US$48.40/lb.

Cameco has relatively higher cost conventional mines compared to UUU mainly ISR operations. Its Fuel Service and Electric divisions are also lower margin.

UUU takeout multiple. Cameco is still trading at a 50% discount to that level.

Both companies faced write downs given the current uranium price environment.

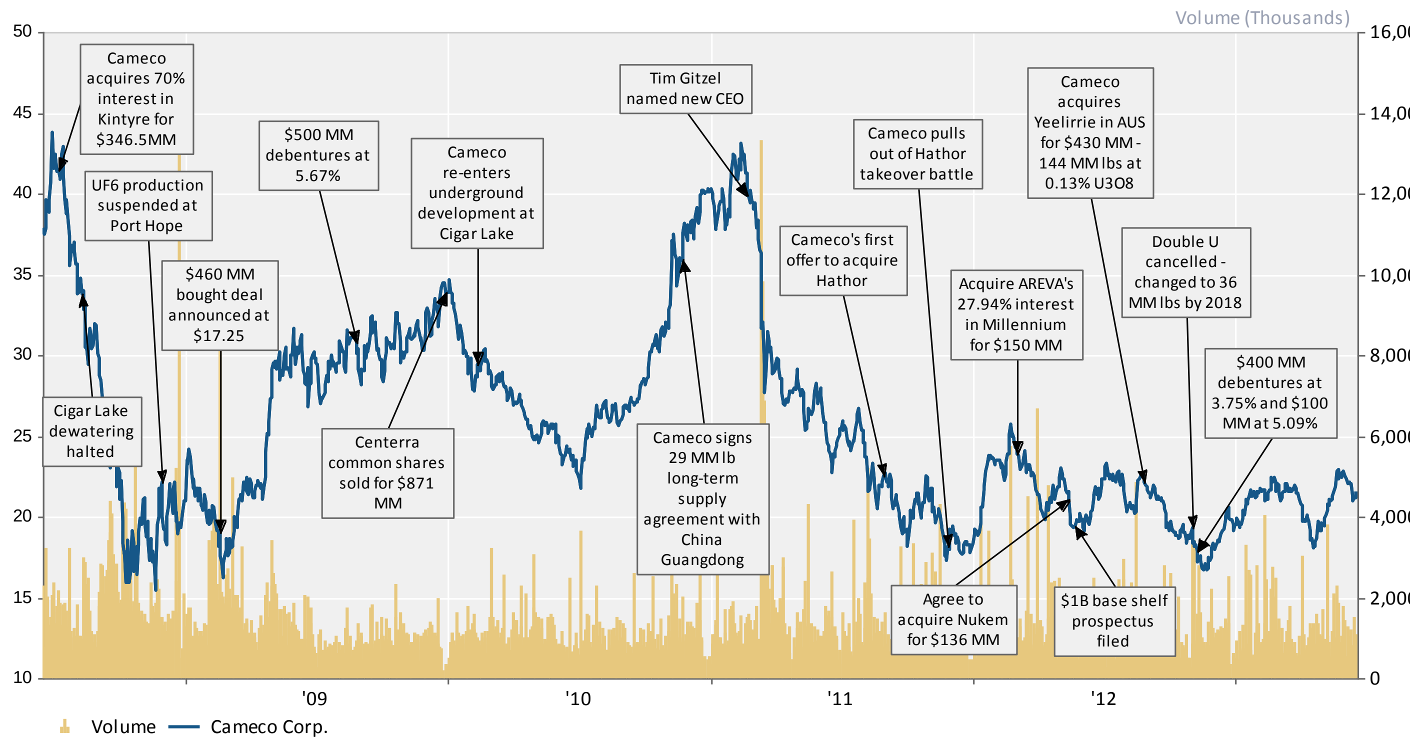
Cameco has been spending significantly on both McArthur River and Cigar Lake.

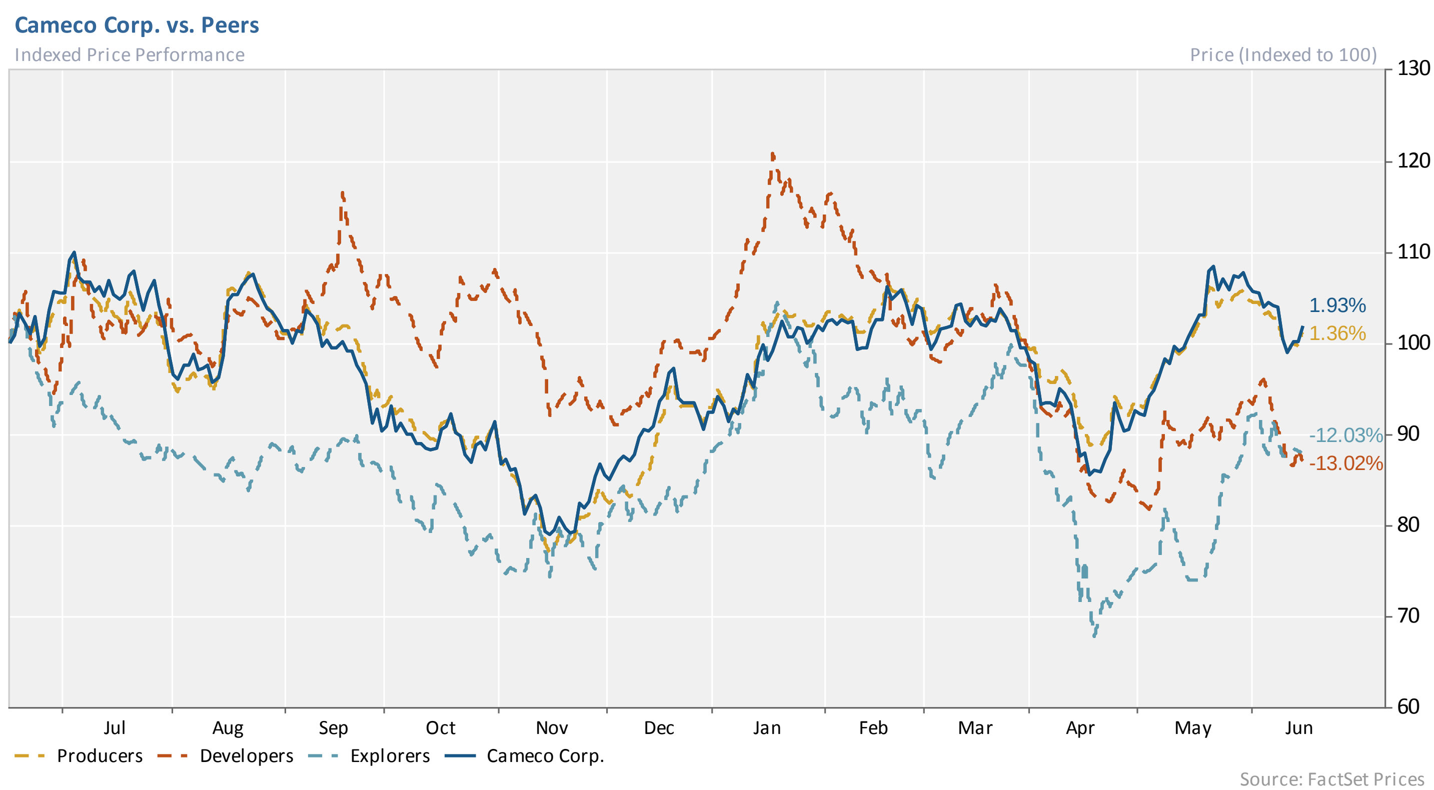
Cameco increased its leverage significantly YoY after raising $500 MM in debentures on 14-Nov-12. But, remains under levered relative to UUU.

(1) As of 31-Mar-13 for CCO and UUU
(2) 10% discount rate for both companies
(3) Attributable amounts
(4) Exclusive of reserves
(5) Based on a weighted average of all assets
(6) Revenue generating uranium operations
(7) Excludes depreciation
(8) Based on cash from operations divided by shares outstanding
(9) Calculated as operating cash flow, net of working capital - less capital spending

Source: Company Reports, FactSet, Dundee Capital Markets

Figure 8 - Cameco 5-year annotated historical stock price chart, and 1-year relative stock price performance.





Source: Company Reports, FactSet, Dundee Capital Markets

GLOBAL PORTFOLIO OF WORLD CLASS MINES

OPERATING PROPERTIES

McArthur River & Key Lake - Worlds Highest Grade Uranium Mine

Property:	**McArthur River**		
Ownership:	69.81%		
Location:	Athabasca Basin, Saskatchewan		
Reserves & Resources (100%):	P&P: 378.9 MM lbs at 16.36% U3O8		
	Resource: 68.6 MM lbs at 7.4% U3O8		
Estimated Production (MM lbs):	2012A	2013E	2014E
100% - basis	19.5	19.2	18.8
Cameco Share	13.6	13.4	13.1

Property:	**Key Lake (Mill, past producer)**
Ownership:	83.33%
Location:	Athabasca Basin, Saskatchewan
Reserves & Resources (100%):	P&P: 0.7 MM lbs at 0.52% U3O8

McArthur River is Cameco's flagship asset, and has been a company maker for over a decade. Cameco is the majority owner and operator with 69.8% interest in the mine coupled with an 83.3% in the Key Lake Mill where McArthur ore is processed (AREVA owns remaining stakes in both assets). With an average ore grade of 16.46% and 19.5 MM lbs production, McArthur makes up ~14% of total world uranium mine production. For 2013 we forecast 13.4 MM lbs of production at total cash costs of US$20/lb. As mining areas get further from the shafts, we expect production costs to rise slightly in the coming years.

- **Extremely high grade deposit, strategically located.** McArthur is an unmatched deposit, a 'freak' of nature so to speak. With proven and probable reserves of 395.5 MM lbs U3O8, or 269.1MM lbs attributable (Table 6), grading 14%, McArthur is the second highest grade deposit in the world; second only to Cigar Lake. It is located 90km NE of Key Lake where ore milled after being down-blended. Given the extremely high grades, it only takes 150-200 tpd to reach nameplate capacity. The mine has consistently produced more than 10 MM lbs+ pa since 2000, with only one serious water inflow issue in that time period (Table 7).

Table 6: Resource table for McArthur River.

Category	Total Tonnes (000t)	Grade % U3O8	Total MMlbs	Cameco Share MMlbs
Proven	384.4	22.8	201.8	140.8
Probable	677.8	12.8	183.7	128.3
Total Reserves	1,062.2	16.5	385.5	269.1
Measured	68.5	5.5	8.4	5.8
Indicated	15.5	10.0	3.4	2.4
Total M+I	84.0	6.4	11.8	8.2
Inferred	325.0	7.9	56.3	39.3
Total Resources	**1,471.2**	**14.0**	**453.6**	**316.6**

Source: Company Reports, Dundee Capital Markets

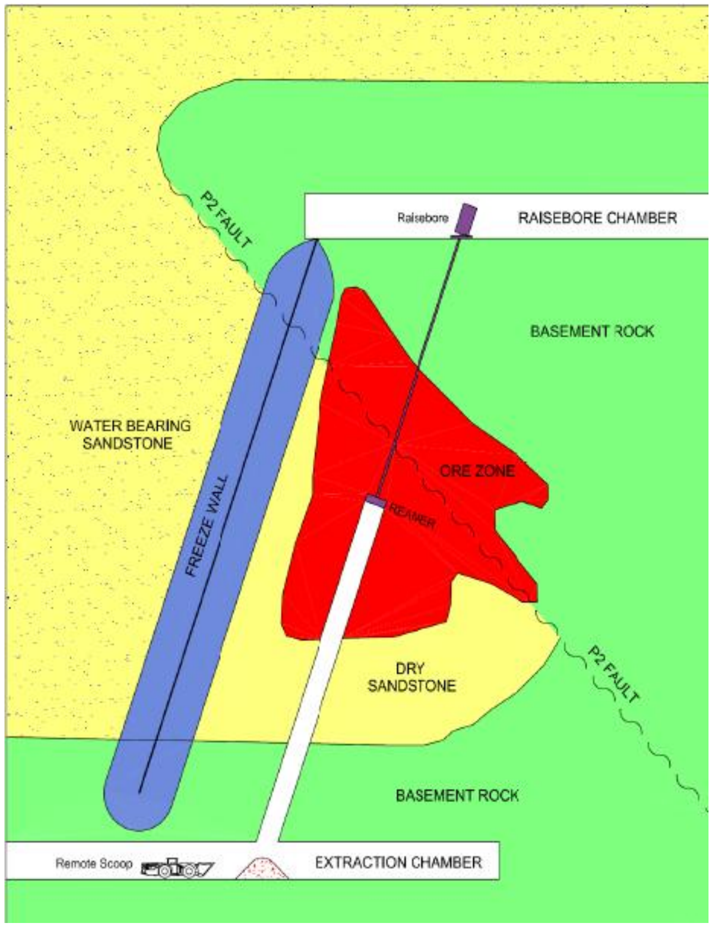
Table 7: Historical production table.

Year	Total Tonnes (000t)	Grade %U3O8	Total MMlbs	Cameco Share MMlbs
2000	43.7	11.6	11.2	7.8
2001	48	16.2	17.2	12.0
2002	52.5	16	18.5	12.9
2003	45.4	15.2	15.2	10.6
2004	55.9	15.2	18.7	13.1
2005	60.4	13.9	18.5	12.9
2006	57.6	14.7	18.7	13.1
2007	59.6	14.2	18.7	13.1
2008	53.2	14.9	17.5	12.2
2009	65.2	12.9	18.5	12.9
2010	78	11.3	19.3	13.5
2011	80.2	11.2	19.7	13.8
2012	133.5	10.5	19.5	13.6
TOTAL	**833.2**	**13.5**	**231.3**	**161.5**

Source: Company Reports, Dundee Capital Markets

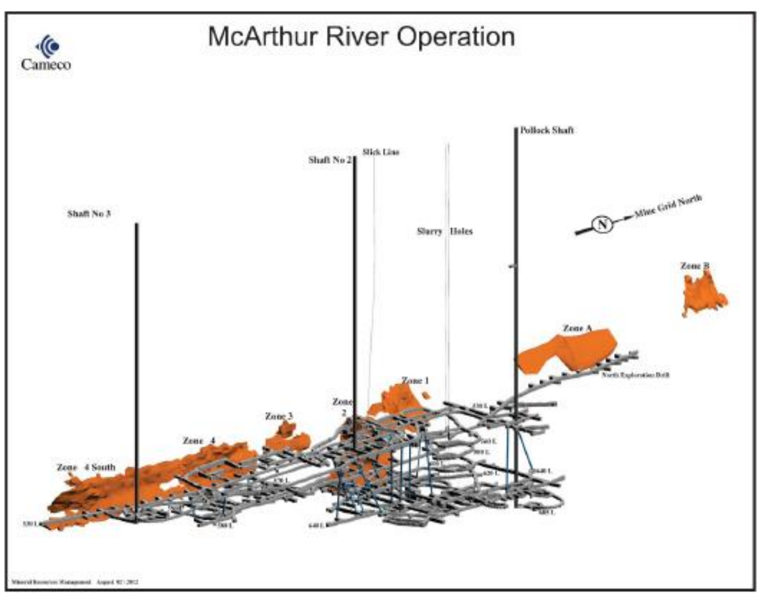
- **Updated feasibility study and reserves.** Cameco released an updated feasibility study for McArthur in November 2012, which considers an expansion to 22 MM lbs pa. The mine also added net 85 MM lbs to its Cameco's reserve base (70% share), ensuring LOM will extend. Zone B in the north end and a zone to the south contributed the most pounds. Cameco will require a license amendment to allow greater production and about $1 B in necessary infrastructure and development over four years to freeze and extract those reserves by 2018. The company remains confident it will obtain the necessary regulatory and government approval.
- **Unique multi-faceted mining method.** To ensure regulatory compliance McArthur must be carefully mined to avoid radon exposure from groundwater inflows. The primary (and only approved) method is raisebore mining. Surrounding ground is first frozen before a raisebore chamber is installed in waste above the ore bearing zone (600m+ depth). An extraction zone is installed below the ore body where a remote scoop tram is moved into place. A pilot hole is drilled down where a 2.4 to 3m reaming head is attached; the scoop tram located below picks up ore as the reamer cuts up. It is then transported to an underground processing circuit which grinds the ore, and then thickens it before pumped back to surface as slurry (Figure 9). Amazingly 97%+ ore recoveries are achieved with this method. The most active mining areas include Zone 2, 4 and Central Lower (Figure 10). After being pumped to surface the 50% solids slurry is sent to Key Lake for further down-blending to 4% U3O8 and final processing.

Figure 9: Schematic cross-section showing a raise bore drift at McArthur River.



Source: Company Reports

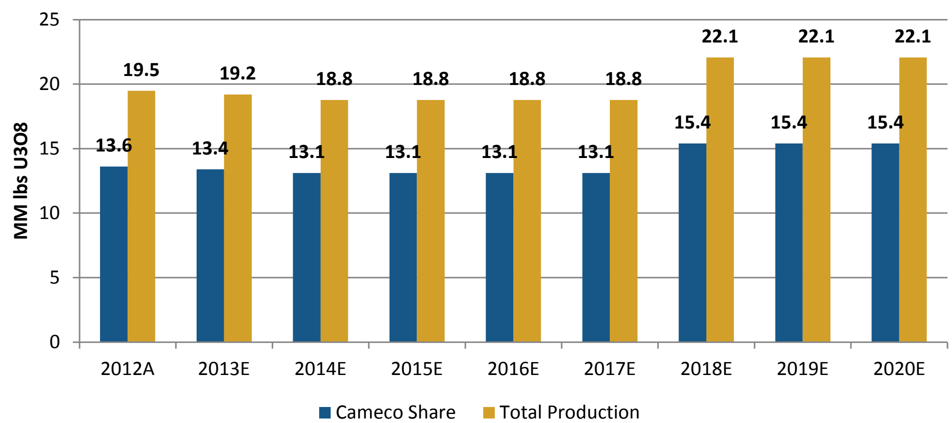
Figure 10: McArthur River underground operation 3d representation.



Source: Company Reports

- **Test mining approved.** Cameco is currently permitted to test both boxhole boring and blasthole stoping methods. Boxhole boring is a vertical development technique suitable for areas where establishing a raisbore chamber is simply not possible. Cameco is the first uranium operator in the world to consider using the boxhole method, and it could be the answer for reaching small areas of high grade ore. Blasthole stoping is used extensively elsewhere including other uranium mines, but in the case of McArthur, blasting may jeopardize freeze wall integrity. If possible however, it may help make smaller low grade areas more attractive.
- **Complex deposit - added risk.** Beyond the obvious health physics and safety issues stemming from high grade uranium, probably the greatest technical risk is production interruptions from water inflows. McArthur River is a complex deposit that hosts radon bearing ground water in and around mining areas. Significant operational experience has lowered risk over the years, but the challenge of mitigating hydrological, radiological and geotechnical risks remain. The last significant inflow in 2003 closed the mine for three months. Cameco is yet to have a meaningful inflow since then, and we feel confident in the operational team's ability to manage issues moving forward.

Figure 11: McArthur River forecasted production chart.



Source: Company Reports, Dundee Capital Markets

Rabbit Lake - Longest Operating Uranium Production Facility in North America

Property:	**Rabbit Lake**		
Ownership:	100%		
Location:	Athabasca Basin, Saskatchewan		
Reserves & Resources (100%):	P&P: 22.8 MM lbs at 0.7% U3O8		
	Resource: 16.7 MM lbs at 1% U3O8		
Estimated Production (MM lbs):	2012A	2013E	2014E
100% - basis	3.8	4.2	4.2
Cameco Share	3.8	4.2	4.2

Cameco's wholly owned Rabbit Lake operation is one of the oldest uranium production facilities and second largest uranium mill in the world, producing a cumulative 186.3 MM lbs over the past 36 years. The mill is licensed for 16.9 MM lbs pa, has capacity of 11 MM lbs pa and is currently producing well short of those levels. Rabbit has current reserves of 24 MM lbs grading 0.73% U3O8, enough to produce until 2017. We believe that Cameco will continue to replace reserves as it has in the past and modeled Rabbit to 2023 after adding resources and estimated upside. For 2013 we forecast 4.2 MM lbs of production at total cash costs of $34/lb, and maintain a steady production profile over the next decade.

Figure 12: Ramp to the Eagle Point underground mine at Rabbit Lake.

Source: Company Reports

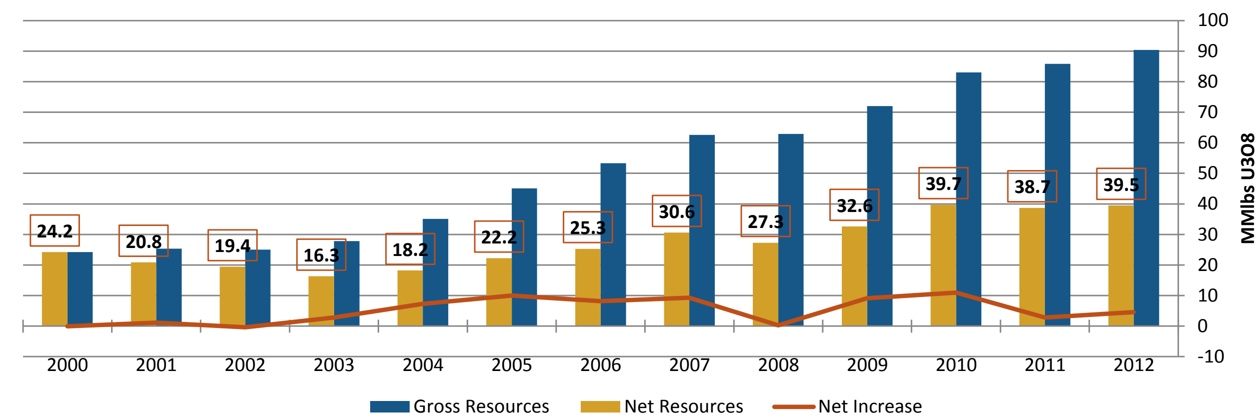
- **Extended mine life and toll mining potential.** Cameco is moving forward with investments to utilize capacity at Rabbit Lake by adding the ability to process different ore types. This opens up potential revenue streams from toll milling of regional deposits. The acid plant was refurbished in 2011. We expect that a new Tailings Management Facility may be required in the next few years, particularly as material that runs through this mill tends to be relatively low grade (<1% U3O8) and therefore more tailings are generated.
- **Evolving from Rabbit to Eagle.** Mining at Eagle Point started in July 2002, almost twenty years after the original Rabbit Lake open pit was mined out in 1984, and after the Collins Bay orebodies were depleted in April 1997. Current Eagle Point ore is located under Collins Bay and sits 50m below the bottom of the lake. Eagle Point is mined using vertical blast-hole stoping with delayed backfill. Ore is blasted and removed with remote controlled scoop trams. Once taken to surface ore is transported to the mill for further processing
- **Reserve replacement should extend mine life.** Being on the cusp of closure for almost a decade, reserves continue to be successfully expanded, increasing LOM (Figure 13). An expanded underground drilling program was designed for 2013 thus we expect similar success this year, potentially from the Powell Zone. Cameco's exploration objectives include drilling in the immediate vicinity of Eagle Point mine, deep basement targets in the new discovered footwall zone, and shallow areas outside the mining license.

Table 8: Rabbit Mine resource table.

Category	Total Tonnes (000t)	Grade % U3O8	Total MMlbs	Cameco Share MMlbs
Proven	87.2	0.62	1.2	1.2
Probable	1,380.7	0.71	21.6	21.6
Total Reserves	537.1	0.70	22.8	22.8
Indicated	485.6	0.60	6.4	6.4
Inferred	375.0	1.24	10.3	10.3
Total Resources	**1,397.7**	**0.8**	**39.5**	**39.5**

Source: Company Reports, Dundee Capital Markets

Figure 13: Resource replacement at Rabbit Lake since 2000. Once appearing on its last legs, Cameco's exploration around the Eagle Point mine has considerably expanded resources and extended life of mine.



Source: Company Reports, Dundee Capital Markets

US ISR - Largest Uranium Producer in the US

Property:	**Smith Ranch-Highland & Crow Butte**		
Ownership:	100%		
Location:	Wyoming, US & Nebraska, US		
Reserves & Resources (100%):	P&P: 9.2 MM lbs at 0.1% U3O8		
	Resource: 47.2 MM lbs at 0.1% U3O8		
Estimated Production (MM lbs):	2012A	2013E	2014E
100% - basis	1.9	2.6	3.3
Cameco Share	1.9	2.6	3.3

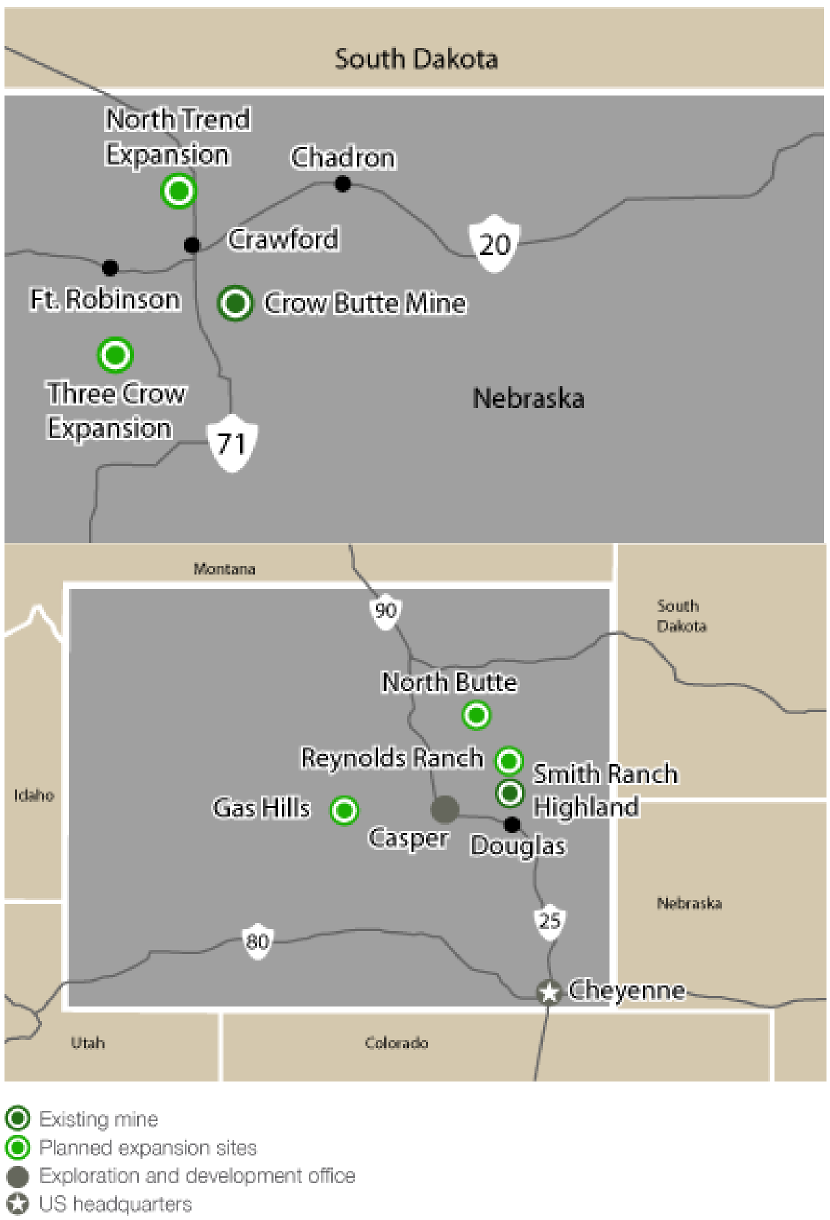
Cameco produces from its two wholly owned assets in the US - Smith Ranch - Highland in eastern Wyoming, and Crow Butte in northwest Nebraska. Both use in situ recovery mining. While each operation has its own satellite facility including ion exchange columns, all resin is trucked to the Smith Ranch plant for processing. Combined operations produced 1.9 MM lbs in 2012, and are on pace for potentially 2.6 MM lbs at total cash costs of US$24/lb in 2013 with added production from nearby North Butte likely. We project a steady ramp up to 3.6 MM lbs pa by 2017, aided by the planned exploitation of several other roll-front satellite deposits in both Nebraska and Wyoming.

- **Low cost ISR extraction process.** All of Cameco's US and 46% of world production comes from In Situ Recovery methods. It is low cost and environmentally friendly, and often the most efficient method of extraction of uranium from sandstone deposits that lie below water tables. This method involves the pumping of bi-carbonate solutions underground into the deposit where uranium is dissolved. This solution is then pumped from underground into an ion exchange column that allows the uranium to be secured on resin beads for transport and further processing. At the plant, uranium is removed from the resins, precipitated and then dried into yellowcake. One downside of ISR in the US is the limited size of the deposits and lower production rates achievable. Therefore the aim is to mine several deposits concurrently.
- **Satellite deposits to provide future growth.** Cameco has three planned expansion sites in Wyoming and two in Nebraska (Figure 14). These are instrumental in helping expand the current production profile. The laborious permitting process is the challenge, and Cameco is currently in the process of gaining regulatory approvals from the US Nuclear Regulatory Commission (NRC) for all five sites. Cameco has the best ISR land package in the region with a cumulative resource base of 111 MM lbs (Table 9). Several deposits

may produce for 10+ years of mine life if properly designed. Meanwhile Cameco also has the option to acquire other deposits which have been permitted and are in the final stages of being built by junior uranium companies, namely Uranerz Energy (URZ-T, BUY, C$2.65) and Ur Energy (URE-T, BUY, C$2.30). Uranerz plans to toll mill its resin at Smith Ranch.

- **Smith Ranch-Highland - the hub of US production.** The Smith Ranch and Highland processing plants are both operated separately. While Highland has a mill and is suitable for conventional ore, the Smith Ranch plant is set up for ISR mining and is used to process all of Cameco's US production.
- **Crow Butte area consolidation.** Cameco consolidated the Crow Butte area in 2000 after three separate deals over a six year period. The facility has a licensed capacity of 1 MM lbs, and produced 0.8 MM lbs in 2012, on pace for slightly more in 2013. With Reserves of 3 MM lbs grading 0.12% U_3O_8, we see enough ore for an additional three to four years of production. Although with 17.6 MM lbs in resources we see mine life being extended.

Figure 14: Nebraska and Wyoming operations maps.



Source: Company Reports

Table 9: US ISR resource table.

Reserves:	Total Tonnes (000t)	Grade % U3O8	Total MMlbs
Gas Hills–Peach	999.2	0.11	2.4
North Butte/Brown Ranch	1,839.30	0.08	3.3
Smith Ranch–Highland	3,388.10	0.09	6.2
Crow Butte	1,282.60	0.12	3
Total Reserves	7,509.20	0.10	14.9
Measured & Indicated:			
Gas Hills-Peach	9,786.10	0.11	22.2
North Butte-Brown Ranch	7,248.90	0.08	12.3
Smith Ranch-Highland	16,936.30	0.06	23
Crow Butte	2,592.20	0.21	12.2
Ruby Ranch	2,215.30	0.08	4.1
Ruth	1,080.50	0.09	2.1
Shirley Basin	1,727.40	0.12	4.4
Total M+I	41,586.70	0.09	80.3
Inferred			
Gas Hills-Peach	861.5	0.07	1.3
North Butte-Brown Ranch	594.3	0.06	0.8
Smith Ranch-Highland	6,404.00	0.05	6.6
Crow Butte	2,282.20	0.12	5.4
Ruby Ranch	56.2	0.14	0.2
Ruth	210.9	0.08	0.4
Shirley Basin	508	0.1	1.1
Total Inferred	10,917.10	0.07	15.8
Total US ISR	**60,013.00**	**0.09**	**111.0**

Soruce: Company Reports, Dundee Capital Markets

Inkai - Majority Owned Kazakh Operation

Property:	**Inkai**		
Ownership:	60%		
Location:	South Kazakhstan		
Reserves & Resources (100%):	P&P: 53.9 MM lbs at 0.07% U3O8		
	Resource: 303 MM lbs at 0.055% U3O8		
Estimated Production (MM lbs):	2012A	2013E	2014E
100% - basis	4.3	4.8	4.8
Cameco Share	2.6	2.9	2.9

Cameco's 60% owned Inkai JV with State-owed KazAtomProm (one of the largest producers in the world), is located in the Suzak District of South Kazakhstan. Inkai is Cameco's only operation in Kazakhstan, beginning in 2009 with commissioning of the main processing plant in 2010. Contrary to US ISR mine, this project is big - reserves are 93.8 MM lbs grading 0.07% U3O8, enough to produce through 2030 by our estimates. There are currently two main production areas (Block 1 and Block 2) with Block 3 (and more reserves) likely on the way. Cameco entered in a Memorandum of Agreement (MOA) with KazAtomProm in August 2011 to allow a doubling of production to 10.4 MMlbs pa (100%). For 2013 we estimate production of 2.9 MM lbs at total cash costs of US$17/lb. Production in 2011 was impacted by an interruption in sulphuric acid supply. ISR production is highly dependent on a consistent supply of sulphuric acid - shortages could lead to additional production delays.

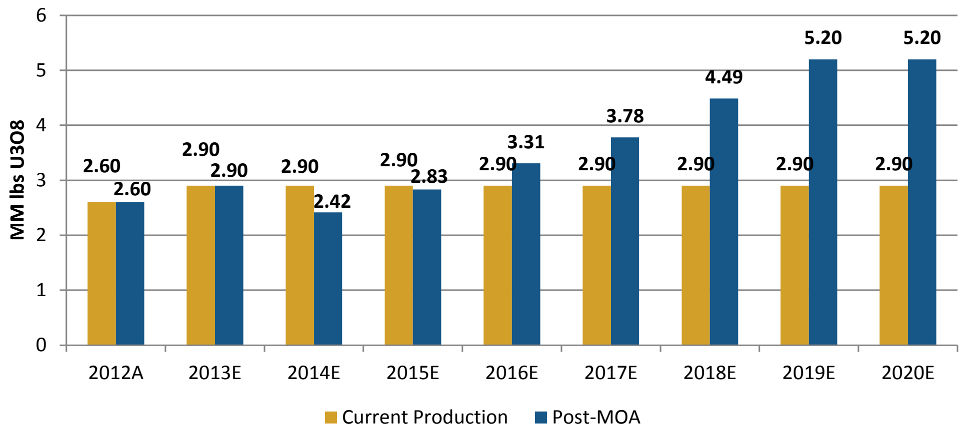
Figure 15: Closed loop recirculation system is used to dissolve and recover uranium.

Source: Company Reports

- **2012 MOA: double production and cut project interest.** Another MOA was ratified by Cameco's Board in October 2012. Additional permitting and approvals are required from KazAtomProm, and the Canadian and Kazakh governments, but the key terms are in place. This agreement was long expected - in the early days of negotiations, Cameco and Canada agreed to share fuel cycle technology with Kazakhstan in exchange for interest in the project. We have not yet provided for this expansion or these modifications in our 8% DCF model, although we ran scenario analysis to demonstrate the potential impact of Block 3 and an additional plant coming online to double production (Figure 16).

  1) Adjust Cameco ownership from 60% to 50%.
  2) Make two payments of US$34MM each - upon government approval to increase production rates to 10.4MMlbs pa through 2045; and then when that rate is realized.
  3) Pay KazAtomProm a royalty of US$5/lb uranium produced above 2.6MMlbs (only once approvals granted).
  4) Participate in construction of uranium refinery with 6,000tU (15.6 MM lbs) capacity, to be split 1/3 Cameco and 2/3 KazAtomProm owned. Construction is to begin in 2018.
  5) Provide KazAtomProm a five year option to license proprietary uranium conversion technology for construction of UF6 conversion facility.
  6) Negotiate with KazAtomProm to provide up to 4,000tU of conversion services; and/or allow three years to acquire 1/3 of Cameco's Canadian conversion facility at Port Hope.

Figure 16: Scenario analysis of the 2012 MOA. If approved, the ratified Inkai JV terms and proposed expansion could add ~$1.08 to our NAV. We assumed a 2014 approval, and five-year ramp-up beginning in 2015. Sustaining Capex was doubled, and we maintained our total cash cost assumptions. Relevant terms as stated above were also modeled in.



DCF

	Current	Post-MOA
0%	3.52	6.76
5%	2.43	4.03
8%	**2.00**	**3.08**
15%	1.39	1.84

Capital Costs (US$ MM)

Discount Rate	100	110	120	130	140
0%	6.76	6.75	6.74	6.73	6.73
5%	4.03	4.02	4.01	4.00	3.99
8%	**3.08**	3.07	3.07	3.06	3.05
10%	2.62	2.61	2.60	2.60	2.59
15%	1.84	1.83	1.82	1.81	1.80

Source: Company Reports, Dundee Capital Markets

- **Production upside dependent on approvals.** Cameco still pressed for the Government to approve an amendment to the resource use contract so Blocks 1 and 2 can produce 5.2 MM lbs pa. The amendment was originally expected in 2012. Its operations are capable of producing at 5.2 MM lbs pa already, and the JV plans on expanding existing satellite plant capacity to support low grade solution. If the MOA receives necessary approvals, we may see a swift increase in production rates to 10.4 MMlbs pa. Permitting remains a key risk to Inkai, and could impact Cameco's 2018 - 36 MM lb goal.
- **Block 3 could add to production.** Block 3 is licensed for a five year period (starting April 2011) for delineation drilling, resource estimation, operation of a test leach facility and eventually a feasibility study. Exploration work has been successful so far at identifying extensive mineralization. Work will continue with the intention of start-up by 2015/2016. Construction of the test leach facility is still under way. We currently do not value this project in our DCF, however if we were to add $100 MM capital expenses and a five year ramp up to full production beginning in 2014, then we might expect the addition of $1.08 per share to our 8% NAV (Figure 16).

Table 10: Resource table for Inkai.

Category	Total Tonnes (000t)	Grade % U3O8	Total MMlbs	Cameco Share MMlbs
Proven	2,774.3	0.08	5.1	3.1
Probable	61,031.1	0.07	88.7	53.2
Total Reserves	63,805.4	0.07	93.8	53.9
Indicated	28,992.7	0.08	48.6	28.0
Inferred	254,606.1	0.05	255.0	146.6
Total Resources	**347,404.2**	**0.06**	**397.4**	**228.5**

Source: Company Reports, Dundee Capital Markets

FUEL SERVICES…SEEKING ADDITIONAL MARKET SHARE

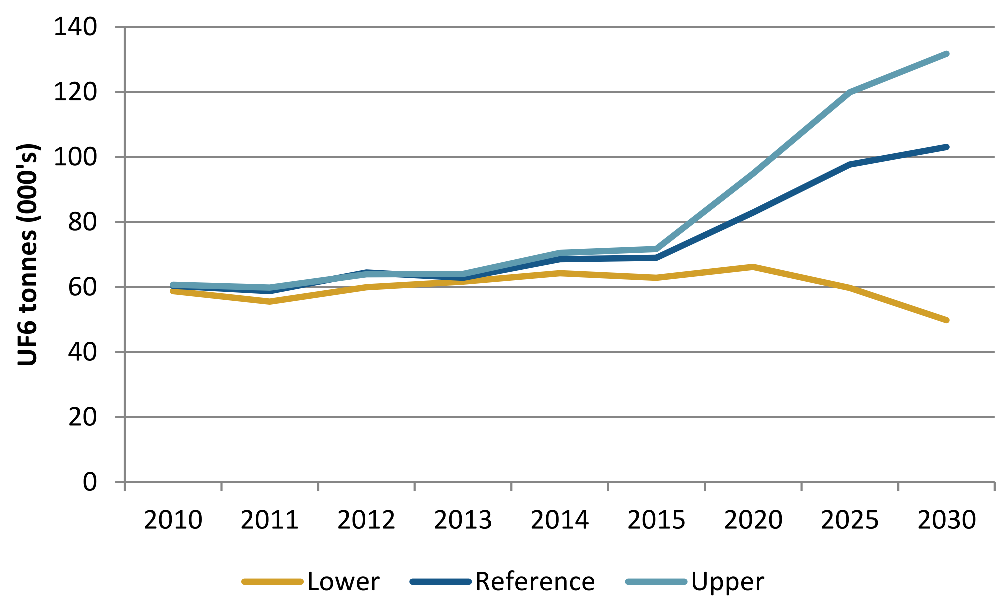
Processing of uranium accounts for 50% of the value of nuclear fuel. Through its Fuel Services division, Cameco taps into another important aspect of the fuel cycle market's value chain and controls ~25% of the world conversion capacity. Cameco may also be looking towards gaining a market share in the enrichment sector - which accounts for about 35% of the value of the fuel. The fuel services market is comprised of conversion and refining of uranium concentrate (U308) into either UO2 or UF6 (depending on the type of reactor), which then gets shipped off for enrichment and fabrication into fuel for nuclear reactors. While UO2 is used for heavy water reactors (e.g. CANDU), UF6 conversion for light water reactors represents over 90% of the world's conversion requirements. Cameco is one of three major suppliers of conversion services, and aims to optimize profitability through operational efficiency and continue offering a range of products to its customers.

Cameco operates the Blind River uranium refinery and the Port Hope conversion facility in Canada and has a toll-milling arrangement with the Springfields conversion facility in the UK. We model Cameco's Fuel Services division using an 8% DCF model. Dundee estimates the value of Cameco's Fuel Services Division with a NAV of $572 MM or $1.45 per share (6.5% of Cameco's total NAV). We expect revenue growth of 29.5% by 2020 (3.3% CAGR).

- **Blind River -** This 100%-owned refinery in Ontario is the world's largest uranium refinery. Mined uranium from around the world is refined into a high-purity uranium trioxide (UO3) powder, which is then shipped to Cameco's Port Hope facility.
- **Port Hope -** This 100%-owned conversion plant in Ontario converts UO3 to either 1) natural uranium dioxide (UO2) for CANDU reactors; or 2) uranium hexafluoride (UF6) to feed enrichments plants. While CANDU reactors can use 0.7% U-235, most reactors in the world need about 3.5-5% U-235 and therefore enrichment must take place. That processes is easier to complete once in gaseous form.
- **Springfields -** Cameco has a 10-year toll processing agreement with the Springfields conversion facility in the UK, the newest conversion facility in the world. The agreement secures most of the plant's production capacity and is scheduled to expire in 2016.
- **Global Laser Enrichment -** The company owns a 24% interest in GLE, with the remainder held by General Electric (51%) and Hitachi (25%). The company aims to develop technology capable of using lasers to commercially enrich uranium. GLE continues testing activities and engineering design for a commercial facility. The US NRC approved its application for a commercial facility construction and operating license.
- **Manufacturing includes fuel, bundles and heavy water.** Only about 3% of the value in uranium is unlocked in the final fabrication step, but Cameco has a part in that segment as well, plus other final products such as zirconium fuel bundles and heavy water used by CANDU reactors. Cameco has 3.1 MM lbs pa of fuel manufacturing capacity and as one of two Canadian nuclear fuel makers, serves half the Canadian CANDU market.

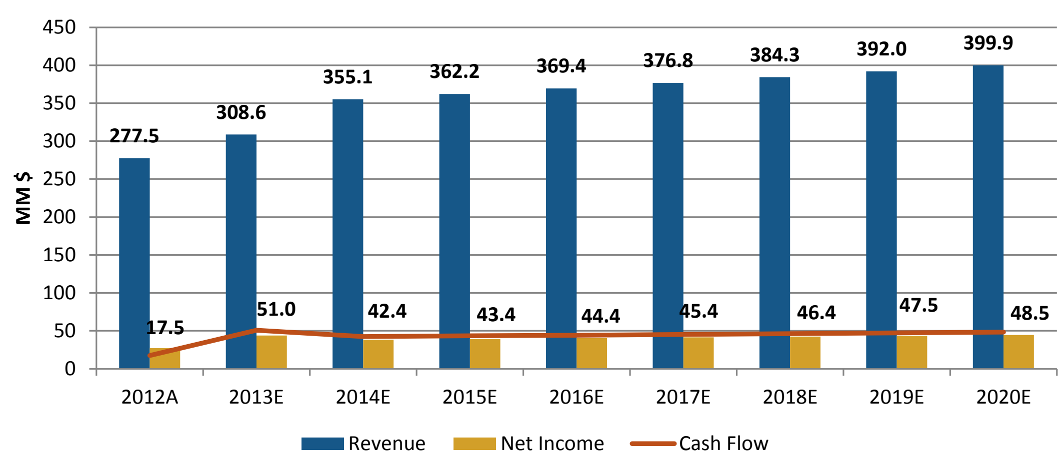
Five primary suppliers to meet the bulk of global conversion requirements. Besides Cameco, these include AREVA (COMURHEX), ConverDyn, Rosatom, and Springfields. The current global nameplate conversion capacity is 75,590t U (196.5 MM lb U3O8e); Cameco controls ~25% of this market. While Rosatom is the biggest by capacity, it mainly serves Russia's domestic conversion needs.

Figure 17: Global conversion demand estimates. Cameco represents ~25% of this market.



Source: World Nuclear Association, Dundee Capital Markets

Figure 18: Dundee forecasted revenue, net income and cash flow generation from the Fuel Services segment.



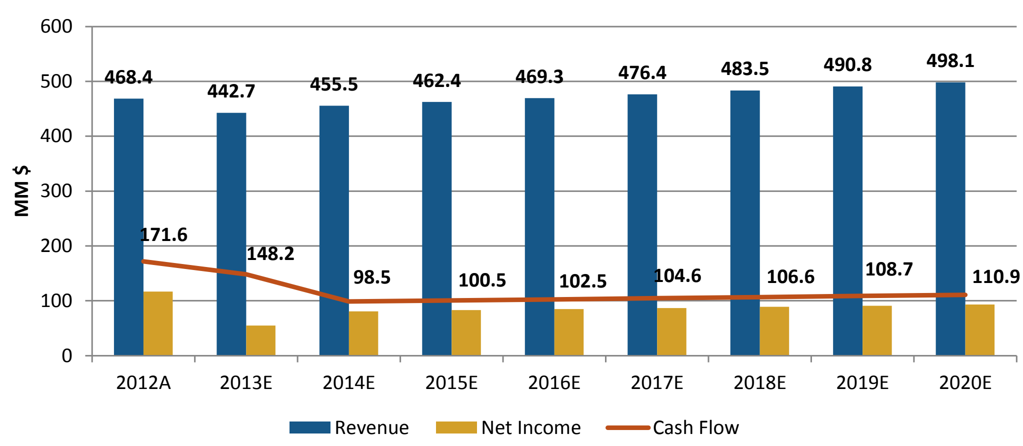
Source: Company Reports, Dundee Capital Markets

BRUCE POWER LP INVESTMENT TO PROVIDE STEADY CASH FLOW

Cameco owns 31.6% of Bruce B Power Limited Partnership (BPLP) which leases and operates four CANDU nuclear power plants from Ontario Power Generation (OPG). The remaining stake is owned by TransCanada Pipelines (31.6%), Ontario Municipal Employees Retirement System Trust (31.6%) and the Power Workers' Union and Society of Energy Professionals (5.25%). The reactors are capable of providing 3,260 MW or 20% of Ontario's electricity requirements. The reactors use about 1.5 MM lbs of U3O8 and 600t of UO2 per year. In 2012 Cameco generated revenue of about $468 MM from Bruce Power, or 20% of its total revenue. We project Cameco to generate ~$442 MM in 2013, with steady revenue growth of 12.5% by 2020 (1.5% CAGR) as energy demand increases. Sales to BPLP make up a large portion of Cameco's fuel manufacturing business as it is the fuel procurement manager for both Bruce A and Bruce B. Cameco does not have an investment in the four Bruce A reactors.

- **Leases expire in 2018 at end of life span.** All four leases are expected to expire by 2018, at the end of the reactor lifespan, however BPLP may be able to renew the lease by another 25 years. It would have to demonstrate that longer operating life is possible after assessing the condition of several key components such as steam generators, fuel channels and feeder pipes. While this represents a potential long term risk to revenue, reactors live are often extended beyond their original lifetime expectations.
- **CANDU technology.** CANDU reactors are pressurized-heavy-water-natural-uranium power reactors designed in Canada. The reactors are fueled by UO2. Maintenance can be intensive at times due to the use of pressure tubes and feeders. However, the advantages are exceptional safety measures due to heavy water use, cheaper fuel due to no enrichment requirements, and little downtime as they can be refueled on without being taken off-line.

Figure 19: Dundee forecasted revenue, net income and cash flow generation from the Electricity segment.



Source: Company Reports, Dundee Capital Markets

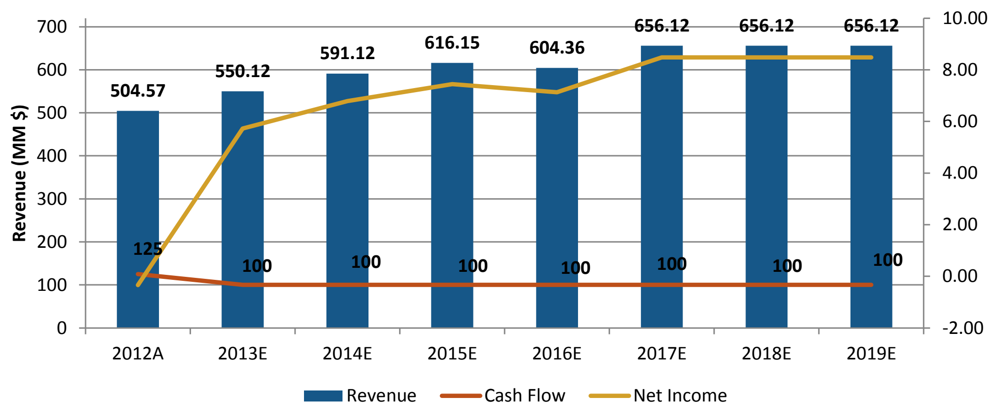
NUKEM ACQUISITION - DEPTH, INTEL, RELATIONSHIPS AND REVENUE

NUKEM Energy WAS recently acquired for $140 MM from Advent International. NUKEM has been involved in the nuclear energy industry for more than 50 years and is one of the world's largest traders of nuclear fuel and services. It provides market intelligence, expertise and strong commercial relationships in Russian and Central Asian markets. NUKEM buys and sells U3O8, UF6 and EUP (enriched uranium product) for the production of nuclear fuel.

Trades are made on both spot and term markets. There are agreements running until 2022. Annual sales volumes have ranged from 10-15 MM lbs U3O8 in recent years. There is a clause in the acquisition terms that if NUKEM's EBITDA exceeds $115 MM from 2012 to 2014, Advent has the right to receive 60% of the excess EBITDA. For 2012 the payout was $8 MM as EBITDA exceeded the threshold. We value NUKEM in our 8% DCF model and estimate the NAV of this business unit at $1,082 MM or C$2.74 per share. We expect revenue growth of 30% by 2020 (CAGR of 3.3%).

Post-HEU NUKEM margin squeeze. NUKEM, along with Cameco and AREVA, is a party to a long-term arrangement with Russian company TENEX, charged with selling UF6 from dismantled Russian warheads. Cameco and NUKEM are able to purchase uranium for below market prices and sell into the market for significant premiums, at least through December 2013 when HEU deliveries end. Therefore As a result we expect NUKEM's 2013 contribution to outperform future years as we expect its uranium acquisition costs to rise.

Figure 20: Dundee forecasted revenue, net income and cash flow generation from NUKEM.



Source: Company Reports, Dundee Capital Markets

DEVELOPMENT PROJECTS - FOCUSED ON WORLD CLASS

Cigar Lake - Game changer finally ready to go

Property:	**Cigar Lake**		
Ownership:	50%		
Location:	Athabasca Basin, Saskatchewan		
Reserves & Resources (100%):	P&P: 216.7 MM lbs at 18.30% U3O8		
	Resource: 101.1 MM lbs at 12.0% U3O8		
Estimated Production (MM lbs):	2012A	2013E	2014E
100% - basis	0.0	0.6	3.8
Cameco Share	0.0	0.3	1.9

The Key to Cameco's production growth strategy - Almost ready for initial production, Cigar Lake is likely the second most important uranium deposit in the world after McArthur River. Reserves total 216.7 MM lbs grading 18.3 % U3O8 which makes it the highest grade deposit in the world. Resources add another 101 MM lbs. Cameco owns 50% of the asset. Mineralization occurs at depths ranging from 410-450m below surface. An underground operation is expected to produce 18 MM lbs (9 MM lbs attributable) pa over a 15 year mine life, having just received a mine license extension through 2021. Production is expected to start ramping up in mid-2013, with about 1.2 MM lbs expected in 2013 (100%). We value Cigar Lake in our 8% DCF model at $1.54 billion or $3.88 per share. This represents 15% of our NAV valuation for Cameco, second only to its McArthur River/Key lake mine at 31%.

- **Challenging geology.** The Cigar Lake deposit lies at the unconformity between the Athabasca Group rock and the lower Proterozoic Wollaston Group metasedimentary rocks. Unlike many other Athabasca Basin unconformity-style deposits including McArthur River, Cigar Lake occurs entirely at the unconformity interface without any protection from uplifted basement rocks. The sandstone above and on either side of the deposit is highly altered.

Table 11: Cigar Lake resource summary table.

Category	Total Tonnes (000t)	Grade % U3O8	Total MMlbs	Cameco Share MMlbs
Proven	233.6	22.3	114.9	57.5
Probable	303.5	15.2	101.8	50.9
Total Reserves	537.1	18.3	216.7	108.4
Measured	18.9	1.7	0.7	0.4
Indicated	25.5	2.7	1.5	0.8
Total M+I	44.4	2.3	2.2	1.1
Inferred	373.4	12.0	98.9	49.5
Total Resources	**954.9**	**15.1**	**317.8**	**158.9**

Source: Company Reports, Dundee Capital Markets

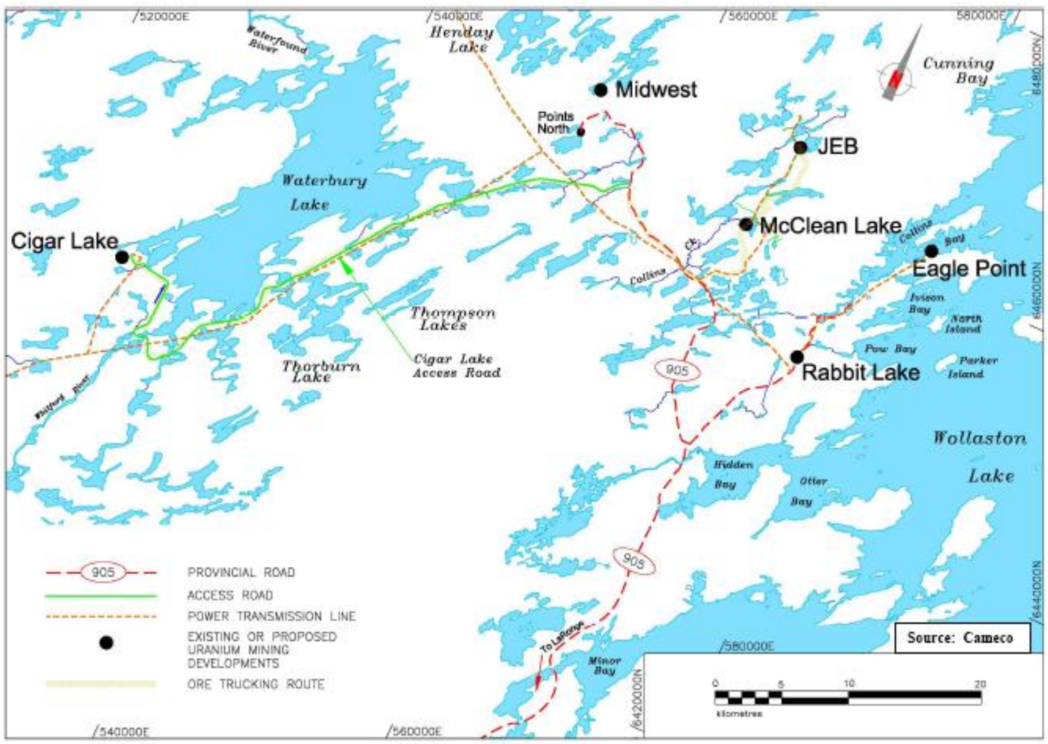
- **Overcoming technical challenges.** The sandstone that overlays the deposit is strongly altered, porous, permeable and water-bearing at significant pressure. This raises some technical challenges and is the reason for water inflow problems plagued past development of the project. Numerous initiatives to prevent these problems from recurring have been implemented with an aim of avoiding serious disruptions. These include bulk freezing of the ore zone and raising the dewatering capacity to handle the estimated maximum inflow.

Figure 21: Underground development at Cigar Lake. Cameco has developed underground tunnels or drifts, reinforced by concrete to prevent water inflow and provide stable ground for mining.

Source: Company Reports

- **Innovative mining method.** Given the high grade uranium ore, technical complexity of the ore body and lessons learned, Cameco has conducted extensive and successful testing of the 'jet boring' mining method. This method is new to the uranium mining industry and involves drilling a pilot hole, cutting a cavity out of the frozen ore using a high-pressure water jet, transporting the resultant slurry to the mill, and then filling the cavity with concrete before moving on to the next hole.
- **New toll milling arrangement improves economics.** Cigar Lake mine slurry will be processed exclusively at the nearby high-grade JEB mill (McClean Lake mill) under a toll-milling agreement with owners AREVA and Denison MInes. A previous arrangement had envisioned initial processing at JEB mill followed by splitting material between Rabbit Lake mill (Cameco's share) and JEB (AREVA's share). Given the added efficiencies and benefits of milling in a single location, Cameco estimates this new arrangement will reduce cash costs to ~$18.60/lb from ~$23.14/lb resulting in a pre-tax project IRR of 32.8% (at an 8% discount rate).

Figure 22: Cigar Lake location map with regional roads and infrastructure



Source: Company Reports

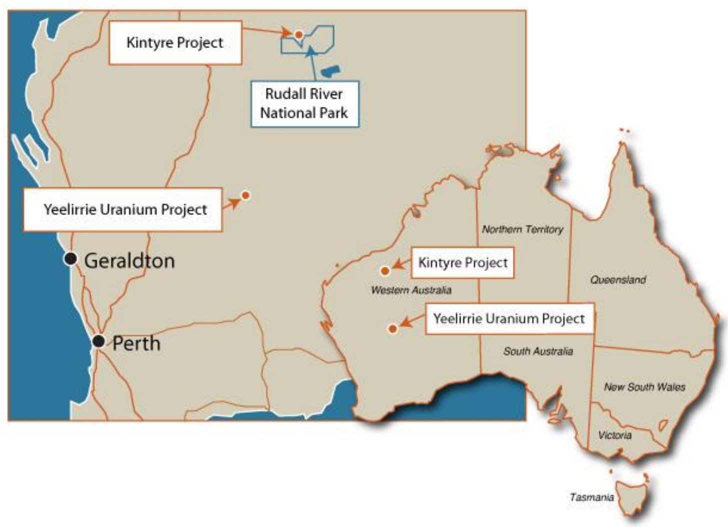
Kintyre - First Significant Foray into Australia

Kintyre is an advanced-stage JV exploration project in Western Australia. Cameco paid US$346 MM in 2008 to acquire a 70% stake in this project from Rio Tinto (Mitsubishi owns the other 30%). This purchase made Cameco look brilliant - it closed mere weeks before Western Australia becomes the first State in Australia to overturn its uranium mining ban. The idea behind the acquisition was diversify Cameco's portfolio in both mining method and geography. In October 2011, Cameco announced the signing of a mine development agreement with the Martu indigenous community. A large resource definition drilling program was initiated in September 2009. The project has an estimated M&I resource of 55 MM lbs grading 0.58% U3O8.

- **On hold until markets improve.** A pre-feasibility study was completed last year, however, given the difficult uranium market conditions, cost escalation in WA, the economics of the project (and likely the structural complexity of the deposit) are deemed challenging and would require uranium prices of ~US$67/lb or a larger resource. As such, a decision was made to not proceed with a detailed feasibility study. Value engineering and environmental permitting will move forward so the project could be revived quickly should market conditions improve.

Kintyre retains value premium - but discounted to purchase. Cameco joined with Mitsubishi Development to purchase Kintyre from Rio Tinto for US495 MM in 2008. The acquisition was officially completed on 11-Aug-08 and assuming an estimated 64.8 MM lbs at time of purchase, the acquisition was completed at US$/lb multiple of US$7.64. This is a significant premium to the Yeelirrie deal recently completed, but a major discount to Mantra and Hathor deals (Table 12). We currently provide for $206 MM in value ($0.52 per share) as partial book value for Cameco's interest in Kintyre. We use a 0.9x multiple to the post write-down value of Cameco's 70% share in Kintyre. This represents US$4.54 per pound in situ value, compared to US$1/lb we typically provide for earlier stage, non-producing deposits.

Figure 23: Location of Cameco's Kintyre and Yeelirrie projects in Western Australia.



Source: Company Reports

World Class Yeelirrie Adds to Australian Pipeline

The Yeelirrie project is located ~750km south of the Kintyre project (Figure 23). It was recently acquired from BHP Billiton for US$430 MM. This near-surface calcrete-style deposit (think Langer Heinrich mine) is likely best in class and one of the largest undeveloped Australian uranium deposits and is easily amenable to open-pit mining. Historical estimates indicate Yeelirrie may host up to 139 MM lbs U3O8 grading 0.13% M&I, with an additional 5 MM lbs inferred grading 0.10%. Internal mineral resource estimation is underway to help determine future plans. Given a strategy shift to strictly brownfields projects, we suspect this project could remain on care and maintenance for the time being. However, we note that this is possible the highest grade calcete deposit of significance at 0.13% U3O8 (versus 0.53% for Langer Heinrich that hosts about 171 MM lbs in reserves, resources and stockpiles).

- **Yeelirrie valued at book.** Cameco purchased 100% of Yeelirrie for US$430 MM (Plus US$22 MM stamp duty). With historical resources of 144.5 MM lbs U3O8, the acquisition multiple comes in at US$2.98, well short of the Kintyre valuation or recent sector transactions (Table 12). Valuing Yeelirrie at book adds $1.08 per share to our NAV. We believe the discount has to do with the current uranium market, early stage of deposit, and likely Cameco's negotiating position. We see this as a good deal, considering this is a potential world class asset. Langer Heinrich currently produces at over 5 MM lbs annually at operating costs of under $30/lb. This should bode well for Cameco's future Australian production potential.

Table 12: Acquisition multiples for Cameco's Yeelirrie, Kintyre and Millennium projects, in addition to other recent uranium deals. Cameco has a history of completing cash-only transactions which is less dilutive to shareholders, contrary to most transactions in the sector.

Announcement Date	Acquirer	Target	Consideration	Price US$MM	EV US$MM	Purchased Resources MMlbs	Acquisition Multiple US$/lb	Grade
Jun-13	Mega Uranium	Rockgate Capital	Shares	30	4	45	0.09	0.14%
May-13	Energy Fuels	Strathmore	Shares	28	23	56	0.42	0.13%
Jan-13	Denison	Fission	Shares	72	72	8	9.18	1.33%
Jan-13	CNNC	Imouraren	Cash	268	268	57	4.73	0.83%
Jan-13	ARMZ	UUU	Cash	2,780	3,195	419	7.63	0.05%
Nov-12	Denison	JNR Resources	Shares	10	10	7	1.43	0.03%
Aug-12	**Cameco**	**BHP (Yeelirrie)**	**Cash**	**430**	**430**	**144.5**	**2.98**	**0.13%**
Apr-12	Fission	Pitchstone	Shares	4	4	4.1	0.98	0.23%
Apr-12	Energy Fuels	Denison (US Assets)	Shares	91.1	91.1	26.3	3.46	0.29%
Mar-12	**Cameco**	**AREVA (Millennium)**	**Cash**	**152**	**152**	**18.9**	**8.04**	**4.05%**
Mar-12	Uranium Resources	Neutron Energy	Shares	38	38	58.75	0.65	0.14%
Feb-12	China Guangdong	Extract	Cash	2,400	2,345	512	4.58	0.04%
Jan-12	Uranium Energy	Cue Resources	Shares	7	7	11.1	0.63	0.05%
Oct-11	Energy Fuels	Titan Uranium	Shares	18	18	30.4	0.59	0.11%
Aug-11	Rio Tinto	Hathor	Cash	654	629	58	10.84	4.73%
Mar-11	ARMZ	Mantra	Cash	1,030	970	101	9.57	0.03%
Aug-08	**Cameco**	**Kintyre**	**Cash**	**495**	**495**	**64.8**	**7.64**	**0.56%**

AVERAGE Acquisition Multiple	4.32

Source: Company Reports, Dundee Capital Markets

Cree-Extension - Millennium Next in Line?

Let Athabasca Basin consolidation begin. Cree Extension-Millennium is a premium uranium project in the Athabasca Basin, located ~36km north of Key Lake. Cameco now owns 69.9% as of the purchase of AREVA's 27.94% stake in 2012 for US$150 MM. The project currently hosts 90.5 MM lbs U3O8 grading 4.44% U3O8, ranking it among the upper echelons of uranium deposits in the world. With Cameco's strategy shift, Millennium will continue to progress but without the goal of near-term production. The company plans to submit an EIS for the project in 2013.

- **Synergies in the Basin.** Cameco plans to submit an Environmental Assessment in 2013. Should markets turn, we see Millennium near the top of the list for development. This high grade project should be capable of supporting significant mine production. The deposit is 600m below surface and would likely be accessed through raisebore hole mining, similar to nearby McArthur River. We speculate that Cameco would exploit its ownership in two active mill sites, and that Millennium development would not require construction of a new mill. Rabbit Lake mill seems most likely as Key Lake is dominated by McArthur production.
- **AREVA deal values project.** Cameco's purchase of AREVA's 27.94% stake in the Millennium project for $150 MM (US$8.04/lb). Terms of the purchase include a 4% royalty on all revenue from 27.94% of any production that exceeds 63 MM lbs U3O8. The recent purchase price infers project value of $536 MM or $375 MM for Cameco's share. We provide $5/lb for Cameco's 63.2 MM lb share, or $316.4 MM as additional resource value in our model. This adds $0.80 to our NAV.

- **Environmental and native pushback risk.** Environmental concerns and push back from the English River First Nation (ERFN) remains a key risk. The deposit lies adjacent to Slush Lake and Moon Lake with concerns over drainage into Moon Creek which leads into Wheeler River. The ERFN are attempting to claim Treaty Land Entitlement on the property. This could potentially impact surface rights as Cameco would then require negotiation with the natives to determine their benefit prior to development. Treaty Land Entitlement represents Saskatchewan's obligation to fulfill obligations made by Canada to provide First Nations with unoccupied Crown lands.

THE NEW DEFINITIVE AGGRESSIVE BROWNFIELDS EXPLORATION STRATEGY

Cameco has an unmatched suite of over 75 exploration properties throughout several countries, including Canada, Australia, Kazakhstan, USA, Mongolia and Peru. Organic growth seems even more prevalent today than it has in the past….building assets from early exploration into operating mines.

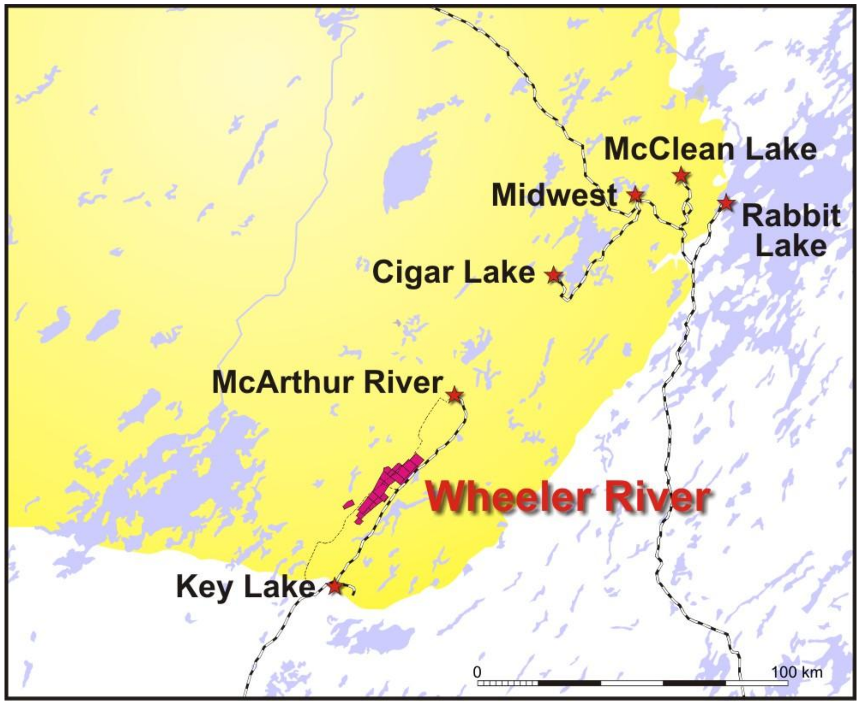
- **Shortening the discovery cycle.** Advance the project or move on. The strategy is clear - be definitive and aggressive in exploration. That means making decisions on whether or not to advance a project as soon as possible, focusing first on economic potential, size, in-country logistics, and most importantly metallurgy. The goal is to get projects through the pipeline into resource definition and pre-feasibility stage within seven years. Getting out there and getting it done - keeping it in the portfolio if it is worthwhile or shelving it for good.
- **Brownfields exploration to improve odds.** Coupled with Cameco's new "piss or get off the pot approach", we expect an increasing proportion of expenditures on or around existing mine sites. Explore in the shadows of a headframe has long been a strategy employed to increase chances of success due to favorable geology.
- **Growing value organically and through investments.** We value Cameco's exploration pipeline at roughly 50 MM lbs of potential (excluding Millennium) at $190 MM or $0.48 per share as additional resource potential. Once deposits like Dawn Lake and Tamarack move towards production we expect Cameco to realize further value from them. About $115 MM was spent on exploration in 2012, about US$20 MM more than 2011. That includes exploration on majority owned assets, and commitments to junior exploration interests, which include UEX (UEX-T, Buy, Spec. Risk, C$1.70 Target), Minergia SAC and Govi High Power Exploration (GoviEx). We add about $0.42 per share to our NAV estimate for these investments and add it to our year-end cash value.

EXPLORING THE ATHABASCA BASIN - CAMECO'S BACKYARD

Cameco holds a dominant land position within the Athabasca Basin which will remain a focal point for the company. Very few uranium companies have the potential synergies found within the Basin given that Cameco has 83% interest in Key Lake mill, 100% interest in Rabbit, and 50% interest in the flagship source of the McClean Lake mill. Upon completion of the road between McArthur River and Cigar Lake mines, all of the mills in the eastern Athabasca Basin will be within very reasonable trucking distance to all of the major projects.

Wheeler River (30% Cameco, 60% Denison, 10% JCU) - The Phoenix discovery has become the world's 3rd richest uranium project thanks to the exploration work completed by the JV's operating partner Denison Mines (DML-T, Buy, High Risk, C$2.00 Target). The property is ideally located between McArthur River and Key Lake mill. It can be accessed by the ore haul road between the two operations (Figure 24) and is essentially on strike with, and shares the same geology as McArthur River. Phoenix is an unconformity-style deposit with a resource of 59.9MMlbs grading 16.6% U_3O_8. We believe that the upside potential for this deposit is tremendous and expect resources to continue to grow and improve. The JV has planned $6.8 MM of drilling this year with a greater emphasis on step outs along strike of existing targets, primarily towards the north where geochemistry is encouraging, and around the K Zone, which is an extension of the McArthur trend itself.

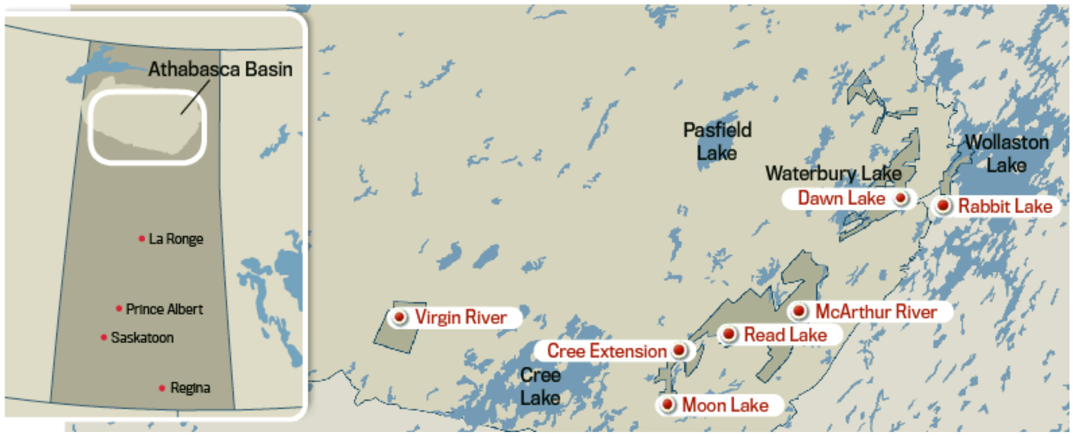
Figure 24: Project location map for the Wheeler River project.



Source: Company Reports

- **Moon Lake (56.68% Cameco, 23.17% AREVA, 20.15% JCU) -** Located just south of the Millennium uranium deposit, Moon Lake is a mid-stage exploration project. Probably low priority right now as the company hasn't reported drilling since 2006. The company will look to prioritize drill test targets within the vicinity of historic drill holes.
- **Dawn Lake (57.47% Cameco, 23.09% AREVA, 19.45% JCU) -** The Dawn lake venture is located on the eastern side of the Athabasca Basin, north of Cigar Lake. The Tamarack deposit is the main prospect on the property and currently hosts 17.9 MM lbs indicated resources grading 4.42% U3O8. At only 175m depth the Tamarack deposit holds open pit potential, and currently measures 600x30m at average widths of 15m. This is a highly prospective property and ranks within the top ten deposits in the basin in terms of grade. Before its strategy shift Cameco was advancing the deposit to pre-feasibility. Dawn Lake has 12.9 MM lbs grading 1.69% U3O8 delineated.
- **Read Lake (78.24% Cameco, 21.76% AREVA) -** Cameco is the majority owner and operator of Read Lake, an exploration property located immediately adjacent to McArthur River. Numerous conductors run parallel to the P2 trend that hosts the McArthur River deposit. The last significant work done on the property was in 2009 where the C10 conductor looked to show the potential of hosting a significant uranium deposit.
- **Virgin River (49% Cameco, 49% AREVA, 2% Coronation Mines) -** The Centennial deposit is located along the unconformity, and is Virgin River's primary prospect. Virgin River is 98% owned by UEM Inc. which is owned 50/50 by Cameco and AREVA. The discovery hole drilled in 2004 intersected 10.76% U3O8 over 3.4m. While estimates vary, it is believed that this deposit may measure about 650 to 700m in length, 20m wide, 15m thick and grades around 5% for about 70 MM lbs U3O8.

Figure 25: Athabasca Basin exploration property location map.

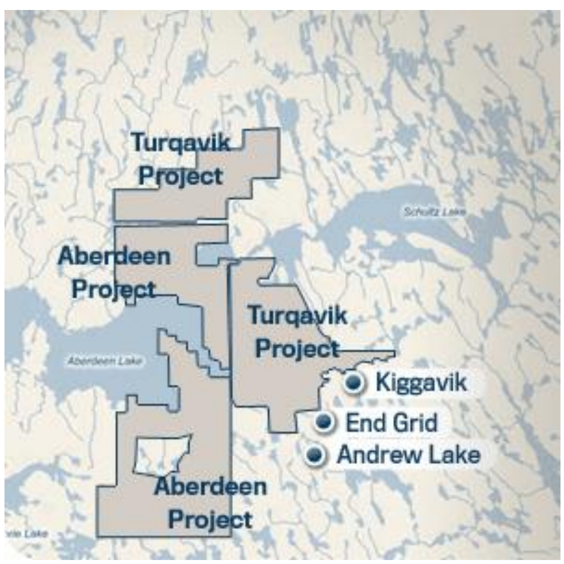


Source: Company Reports

NUNAVUT - UNDEREXPLORERD BASIN POTENTIAL

Turgavik-Aberdeen (100% Cameco) - Turgavik-Aberdeen is located within an emerging uranium camp along the margins of the Thelon Basin. It is located close to AREVA's Kiggavik deposit, measuring 132.6 MM lbs at 0.54% U3O8. Cameco is looking for similar deep basement targets. Success in recent years has returned up to 24.3% U3O8 over 0.4m and 0.85% over 13.7m

Figure 26: Location map for Cameco's Turqavik-Aberdeen project.



Source: Company Reports

AUSTRALIAN EXPLORATION TAKING BACK SEAT

Arnhem Land (100% Cameco) - Cameco now owns several projects called the Arnhem Land projects which collectively hold more than 386,095 ha. Located about 300km east of Darwin in the Northern Territory, significant deposits in the area include the Ranger Mine, Nabarlek, Jabiluka and Koongarra. These are typical Australian grade unconformity style deposits in the range of 0.2 to 0.5% U3O8, but can be large. For example Jabiluka owned 100% by Energy Resources of Australia grades 0.53% U3O8 for 453 MM lbs.

Ashburton-Turee (50% Cameco, 50% U3O8 Ltd.) - Cameco made a four year commitment to earn 70% interest in the project from Aldershot Resources (ALZ-V, Not Rated). In the early stages, this property is located 150km southwest of Newman, WA. Historical exploration found low grade uranium near surface. The primary prospect is called Turee Creek.

Rudall River (60% Cameco, 40% UEL) - Rudall River covers an area of 6,037ha, and is located about 450km east of Port Hedland. The project is in close proximity to the more advanced Kintyre uranium project. UEL is in the midst of consolidating its ownership position, acquiring Cameco's 60% stake.

Paterson (100% Cameco) - Paterson, located in WA, is an early stage exploration project covering 3,813ha over five exploration licenses. We assume the company has halted exploration on the project.

INVESTMENTS - A FOOT IN THE DOOR

UEX Corp (Buy, Spec. Risk, $1.70 Target) - 21.4% Interest - Cameco has a 21.4% ownership in UEX, a Dundee covered company. UEX has a large diversified portfolio of projects in the Athabasca Basin. The company has world class deposits, large, well situated land positions, a focused management team and excellent joint venture partners. Focus is currently on both its 100% owned Hidden Bay and 49% owned Shea Creek projects. Hidden Bay hosts 40 MM lbs and Shea Creek hosts another 95 MM lbs U3O8.

MINERGIA SAC - Cameco has the right to earn a 50% ownership by investing $10 MM over the next four years. MINERGIA is a private company exploring and developing Vena Resources (VEM-T, Not Rated) uranium assets in Peru.

Govi High Power Exploration - 11% Interest - GoviEx holds 2,300 sq. km of exploration property near Arlit, Niger and 2,400 sq. km near Agadez, Niger, a region heavily explored since the 1960s. Its flagship project is the Madaouela project. Six deposits now total ~123.2 MM lbs.

Ur America - 19.9% interest - UrAmerica is a private uranium exploration company focused on developing uranium properties in Chubut, Argentina. It controls 61 exploration permits and mining concessions, either wholly or through JV's. The company is near the end of a 30,000m drill program focused on identifying potential extensions of the nearby Cerro Solo uranium deposit (state owned, with ~13 MM lbs). UrAmerica's goal is to establish a 15 MM lbs resource this year.

GROWING FOCUS ON FINANCIAL STRENGTH

Cameco had $577.2 MM cash and $1.35 B debt (incl. short-term) at 31-Mar-13 (Table 13). The company significantly increased its leverage over the past year, raising $500 MM in a debenture offering on 7-Nov-12. The company's debt position grew by 47% YoY, with D/E moving from 0.18x to 0.28x (Figure 27). Cameco has a net debt position of $775 MM, and forecasted interest coverage ratio of 5.2x in 2013. We estimate that the company has ~395.39 MM shares outstanding, with no warrants and 10.42 MM options with exercise prices ranging from $15.79 to $54.38. The company's free float is essentially 100% of shares outstanding, with top holder CI Investments owning 3.85% (Table 14).

We expect 2013 to be a turnaround year from a FCF perspective. Leaving the Cigar Lake remediation and construction behind, we expect capital expenditures to decline over the following five years while production rises and lower cost production is brought online. This decline in capital spending is somewhat dependent on a go ahead decision for Inkai Block 3, although our estimate of US$100 MM +/- to build a third plant pales in comparison to Cameco's share of Cigar capital. With Cigar Lake now attributing a larger proportion of production by 2013, we look for a 23% increase in EPS by 2014 to C$1.27, and EBIT/sh and EBITDA/sh to rise to $1.35 and $2.05, up 44% and 22% YoY, respectively.

Table 13: Cash and Debt positions as of 31-Mar-13.

31-Mar-13	MM$	LOC	MM$
Cash	**577.2**	**Drawn**	**730**
ST Debt	60.3	**Undrawn***	**1,370**
LT Debt	1,292.7		
Total Debt	**1,352.9**		
Net Debt	**775.7**		

ST Debt	MM$	Interest
Promissory note payable	42.1	1.07%
Commercial paper	25.0	1.14%
Total (31-Dec-12)	**67.1**	
Repayment	7.5	
Total (31-Mar-13)	**60.3**	

LT Debt	MM$	Interest	Due
Debentures - D	496.6	5.67%	Sep-13
Debentures - C	299.3	4.70%	Sep-15
Debentures - E	397.4	3.75%	Nov-22
Debentures - F	99.2	5.09%	Nov-42
Total (31-Mar-13)	**1,292.7**		

Interest Coverage:

2013	2014	2015	2016
5.21x	6.43x	8.77x	11.21x

***Covenant: Funded Debt/Tangible Net Worth = >1, CCO = 3.63x**

Source: Company Reports, Dundee Capital Markets

Figure 27: Historical total debt and net debt bar chart overlain by debt growth.

Source: Company Reports, FactSet, Dundee Capital Markets

Table 14: Top ten holders of Cameco.

	Position	% O/S
CI Investments Inc.	15,179,643	3.84
Caisse de Depot et Placement du Quebec	14,859,685	3.76
Manning & Napier Advisors, LLC	13,107,344	3.31
Tradewinds Global Investors, LLC	12,648,512	3.2
Beutel, Goodman & Company Ltd.	10,641,507	2.69
Pyramis Global Advisors, LLC	9,566,044	2.42
Jarislowsky Fraser, Ltd.	8,259,621	2.09
Wellington Management Company, LLP	7,908,407	2
Cramer Rosenthal McGlynn, LLC	7,626,038	1.93
I.G. Investment Management, Ltd.	7,273,915	1.84

Source: ThomsonOne

RISK DIVERSIFICATION STRATEGY

Cameco has hedged its risks in several ways. Broad geopolitical exposure, numerous operations, and hedged price exposure through long term uranium price contracts with its numerous customers. It also is only ~60% exposed to the uranium mining sector - having more stable and predictable electrical generation, plus various manufacturing and service arms such as conversion, enrichment and fuel fabrication.

Risks to Cameco and our valuation of the company are varied. These include metal price assumptions, development and operating cost forecasts, production schedules, and licensing and permitting assumptions. Investing in mining and exploration companies is inherently risky. Adding uranium into the equation further complicates matters, especially from safety, socioeconomic, environmental and permitting points of view. At any stage of a project things can go awry, or not reach expectations.

- **Production risks.** Assumptions were made for all operating properties - McArthur and Key Lake, Rabbit, US ISR, Inkai, Cigar Lake. That includes production rates, mine lives, Capex, Opex, and recovery rates. We believe estimates were made rather conservatively, accounting for uncertainty and execution risk. Most of the operations are backed by NI 43-101 feasibility reports, and comparable projects.
- **Commodity price risk.** Cameco is exposed to uranium price risk, which may lead to fluctuations in financial performance, and deviation from expectations. High prices may lead to increased revenue, lower prices the opposite. Our model maintains a long-term price assumption of US$65/lb. We have modeled in Cameco's price schedule into 2016 to reflect its long term price contracts. As per the schedule, Cameco will not receive lower than US$41/lb, even if uranium prices head below US$40/lb.
- **Financing risk.** We have assumed the company will be capable of meeting all debt obligations, including interest and principal payments. Given that we forecast the company generating significant free cash flow, and having been cash flow positive for some time, we would consider this to be low risk.
- **Higher project specific risks in Athabasca Basin.** We have outlined some of these in the operating property section, but reiterate that certain operating and development properties have unique risks associated with them. McClean Lake and Cigar include complex freezing and mining techniques, opening up the risk to radon bearing water inflows. At Inkai it's possible the JV won't obtain project approvals, limiting production upside. We ascribe a low risk probability here given 40% (soon to be 50%) partner is state owned Kazatomprom, and should push this through permitting with ease. We have also assumed Rabbit and US ISR will replace reserves, expanding mine life. Its possible Cameco will be incapable of making additions to both, which would impact our NAV estimate.
- **CRA lawsuit.** Cameco has been engaged with the Canada Revenue agency since 2008 over its offshore marketing company structure and related transfer price methodology

used for certain intercompany uranium sales and purchase agreements between 2003-2007. Cameco employs an offshore marketing subsidiary given most of its customers are located outside of Canada, basing pricing on arm's length terms and conditions. It feels confident in the methodology used reflects related laws and regulations. But CRA has disputed its methods, causing a $27 MM cash payment to CRA in Q1/13. Years 2008-2012 have yet to be audited and could cause additional penalties. The company remains confident that it will be successful in the case, but in event Cameco fails it may be obliged to remit upwards of $400-$425 MM between now and 2023. On a cash flow basis the impact is relatively immaterial; especially given the company's more cost conscious strategy.

INVIGORATED MANAGEMENT TEAM

Within two months of Tim Gitzel taking over as CEO in mid-2011, Cameco made a take-over attempt on Hathor Exploration. Having long been an overly conservative giant, this move signaled to the market that Cameco was becoming more aggressive, and least in key jurisdictions. As we said at that time, it was a welcome change. Acquisitions since including NUKEM and Yeelirrie attest to this new direction. Other changes near to the top have allowed Cameco greater focus on operating and financial performance, and seek exploration efficiencies through shortening time to discovery.

Tim Gitzel, President and Chief Executive Officer - Mr.Gitzel joined Cameco in 2007 as senior VP and COO, becoming President and CEO in May, 2010. He has more than 25 years of senior management and legal experience in the uranium mining industry. Prior to Cameco he worked for AREVA, serving as the company's Canadian subsidiary President and CEO. Mr. Gitzel also serves as chair of the World Nuclear association, and has served on the boards of Mining Association of Canada, the Canadian Nuclear Association and Sask Energy.

Grant Issac, Senior Vice-President and Chief Financial Officer - Mr. Isaac assumed Senior VP and CFO in July 2011. He was a professor at the University of Saskatchewan from 2000 to 2009, with focus on research, development and commercialization of technology products, international trade and regulations and the strategic management of intellectual property.

Gary Chad, Senior Vice-President, Chief Legal Officer and Corporate Secretary - Mr. Chad has been at Cameco for over two decades now, first joining in 1990 as General Counsel, Corporate Secretary and Assistant to the Chair. He progressed to become Senior VP, CLO and Corporate Secretary. He is a member of the Law Society of Saskatchewan.

Ken Seitz, Senior Vice-President, and Chief Commercial Officer - Mr. Seitz joined as a mechanical engineer at McArthur River and Cigar Lake. After leaving briefly he returned in 2004, being promoted to VP, Marketing and Business Development in January 2011.

Robert Steane, Senior Vice President and Chief Operating Officer - Mr. Steane joined Cameco in 1983, moving through a variety of roles at the project and executive level, including GM at Key Lake, VP Mining, VP Fuel Services and VP Major Projects. He was appointed to his current position in May 2010. Prior to Cameco Mr. Steane developed engineering operations in Papua New Guinea, Namibia and Australia.

Alice Wong, Senior Vice President and Chief Operating Officer - Ms. Wong has 24 years plus experience in the uranium mining and nuclear industries in communications, marketing, corporate development and strategic planning.

Directors

Neil McMillan - Having recently stepped into the Chairman's role, Mr. McMillan is the President and CEO of Claude Resources, having also served on the board of Atomic Energy Canada.

Victor Zaleschuk, Former Chairman of the Board, Victor recently stepped down from that role but remains a Director. Formerly a CEO of Nexen, Mr. Zaleschuk brings vast expertise in the resource industry, with specific focus on mergers and acquisitions. He has also participated on the boards of Agrium and Nexen.

Ian Bruce - Mr. Bruce spent a vast majority of his career at Peters & Co., an independent investment dealer providing investment services to energy industry corporations, institutional investors and private clients. He is a recognized specialist in valuation under CICA rules, and once served on the Prime Minister's committee to review social responsibility accounting/reporting for public companies in Canada.

Daniel Camus - Formerly CFO and Head of Strategy and International Activities at EDF. He held various senior roles with Aventis Group and Hoechst AG Group over the past 25 years.

John Clappison - Mr. Clappison was a managing partner at PWC, bringing extensive financial experience to the board, as well human resources, and executive compensation

Joe Colvin - Mr. Colvin was elected President Emeritus of the Nuclear Energy Institute, and was the President of the American Nuclear Society, a not-for-profit promoting awareness of the application of nuclear science and technology.

James Curtiss - A principal of Curtiss Law since April 2008, he was partner with the law firm Winston & Strawn in Washington, concentrating on energy policy and nuclear regulatory law. He is also been a member of Cameco's human resources compensation committee since 1999 and now chairs it.

Donald Deranger - He served as Athabasca Vice Chief of the Prince Albert Grand Council for nine and a half years. Mr. Deranger is a leader in the Saskatchewan aboriginal community, bringing deep understanding to Cameco.

James Gowans - Mr. Gowans is the Managing Director of the Debswana Diamond Company in Botswana. He has over five years of experience working for DeBeers. Mr. Gowans brings perspective on corporate social responsibility, and experience in exploration and mining.

Nancy Hopkins - Ms. Hopkins is a partner with the law firm McDougall Gauley. She focuses on corporate, commercial law and taxation. She has extensive experience in the Saskatchewan business community.

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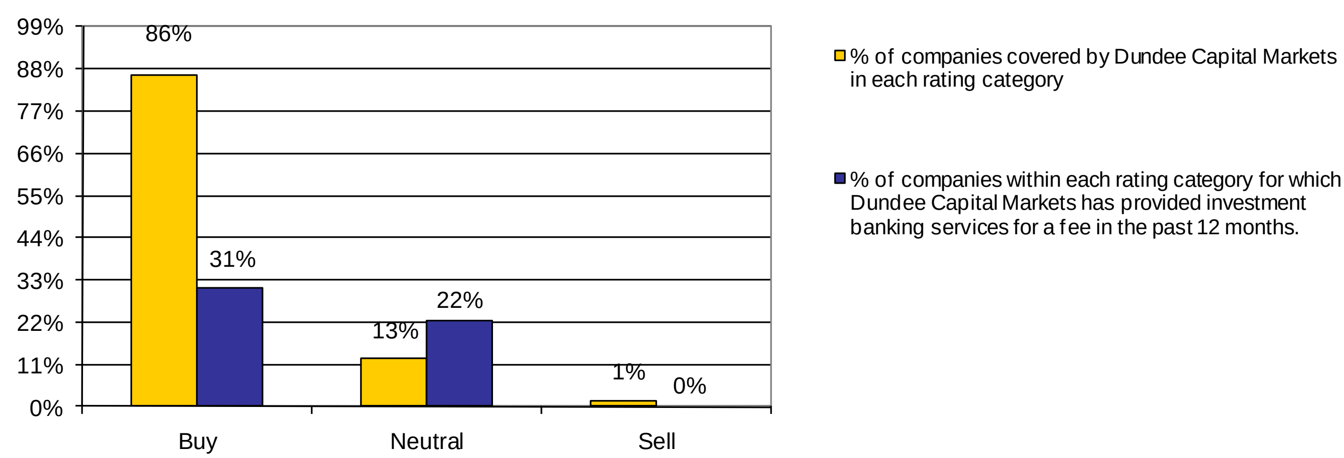

As at March 31, 2013

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