

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and, subject to certain exceptions, may not be offered or sold in the United States or to U.S. persons within the meaning of Regulation S under the U.S. Securities Act. See “Plan of Distribution”.

This prospectus supplement, together with the short form base shelf prospectus dated May 29, 2012 to which it relates, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in the short form base shelf prospectus, constitutes a public offering of securities offered pursuant hereto only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement and the accompanying short form base shelf prospectus dated May 29, 2012 from documents filed with securities commissions or similar authorities in Canada. Copies of the short form base shelf prospectus and documents incorporated by reference therein may be obtained on request without charge from the Corporate Secretary, Cameco Corporation at its registered and head office at 2121 – 11th Street West, Saskatoon, Saskatchewan S7M 1J3 (Telephone (306) 956-6200), and are also available electronically at [www.sedar.com](http://www.sedar.com).

**PROSPECTUS SUPPLEMENT**  
**To a Short Form Base Shelf Prospectus dated May 29, 2012**

New Issue

June 16, 2014



**\$500,000,000**

**4.19% Senior Unsecured Debentures, Series G due 2024**

This prospectus supplement (the “**prospectus supplement**”) together with the Canadian short form base shelf prospectus dated May 29, 2012 to which it relates (the “**base shelf prospectus**”) qualifies the distribution (the “**Offering**”) of \$500,000,000 aggregate principal amount of 4.19% senior unsecured debentures, Series G due June 24, 2024 (the “**Series G Debentures**”) of Cameco Corporation (“**Cameco**” or the “**Company**”) at a price of \$999.60 per Series G Debenture. The Series G Debentures will be unsecured obligations of Cameco. The Series G Debentures will mature on June 24, 2024 and will have an interest rate of 4.19% per annum, calculated and payable in equal semi-annual payments in arrears on June 24 and December 24 in each year, commencing December 24, 2014. The effective yield on the Series G Debentures if held to maturity will be 4.195%.

The Series G Debentures will, prior to March 24, 2024, be redeemable at the option of the Company at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at the higher of the Canada Yield Price (as herein defined) and par, together in each case with accrued and unpaid interest to the date fixed for redemption. On and after March 24, 2024 (three months prior to the Maturity Date), the Series G Debentures will be redeemable at the option of the Company at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at par, plus accrued and unpaid interest to the date fixed for redemption. If a Change of Control Triggering Event (as defined herein) occurs, unless the Company has exercised its optional right to redeem all of the Series G Debentures as described above, the Company will be required to make an offer to repurchase all or, at the option of a holder of Series G Debentures (a “**Holder**”), any part of such Holder’s Series G Debentures (a “**Change of Control Offer**”). In a Change of Control Offer, the Company will be required to offer payment in cash equal to 101% of the aggregate principal amount of Series G Debentures together with accrued and unpaid interest on the Series G Debentures repurchased to the date of purchase.

**Price: \$999.60 per \$1,000 principal amount of Series G Debentures**

	<u>Price to Public<sup>(1)</sup></u>	<u>Agents’ Fee</u>	<u>Net Proceeds to Cameco<sup>(2)</sup></u>
Per Series G Debenture .....	\$999.60	\$4.00	\$995.60
Total .....	\$499,800,000	\$2,000,000	\$497,800,000

Notes:

- (1) Plus accrued interest from June 24, 2014, if settlement occurs after that date. Accrued interest must be paid by the purchasers of the Series G Debentures.
- (2) Before deducting expenses of this Offering, estimated to be \$1,300,000, which, together with the Agents’ fee, will be paid from the general funds of the Company.

Investing in the Series G Debentures involves risks. See the “Risk Factors” section on page 22 of the base shelf prospectus, as well as “Risk Factors”, beginning on page S-23 of this prospectus supplement.

The Series G Debentures offered under this prospectus supplement will generally be qualified investments under the *Income Tax Act* (Canada). See “Eligibility for Investment.”

The Series G Debentures will be issued under a trust indenture dated July 12, 1999 as supplemented (as so supplemented, the “**1999 Trust Indenture**”) between Cameco and CIBC Mellon Trust Company, as trustee, as supplemented by a seventh supplemental trust indenture (the “**Seventh Supplemental Indenture**”) to be entered into on the date of the closing of the Offering (the 1999 Trust Indenture, together with the Seventh Supplemental Indenture, the “**Canadian Trust Indenture**”). See “Description of Debentures” for further particulars of the material attributes of the Series G Debentures.

RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Citigroup Global Markets Canada Inc., Merrill Lynch Canada Inc. and Scotia Capital Inc. (collectively, the “**Agents**”), as agents, conditionally offer the Series G Debentures, subject to prior sale, on a best efforts basis if, as and when issued by us and accepted by the Agents in accordance with the conditions contained in the agency agreement referred to under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Borden Ladner Gervais LLP.

Subscriptions for the Series G Debentures will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this Offering will take place on June 24, 2014 or on such other date as Cameco and the Agents may agree but, in any event, no later than June 27, 2014. At the closing of the Offering, the Series G Debentures will be available for delivery in book-entry form only through the facilities of CDS Clearing and Depository Services Inc. (“**CDS**”).

In connection with this Offering, the Agents may, subject to applicable law, effect transactions that stabilize or maintain the market price of the Series G Debentures at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

**RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Citigroup Global Markets Canada Inc., Merrill Lynch Canada Inc. and Scotia Capital Inc. are affiliates of Canadian chartered banks or other financial institutions that, among other lenders, have provided us with certain credit facilities, and/or have provided us with other credit accommodations or are counterparties to certain currency swaps or other derivatives transactions with us. Consequently, we may be considered to be a “connected issuer” of each of the Agents under applicable securities laws. See “Use of Proceeds” and “Plan of Distribution”.**

**There is no market through which the securities may be sold and purchasers may not be able to resell securities purchased under this prospectus supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.**

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS .....	S-2
DOCUMENTS INCORPORATED BY REFERENCE .....	S-3
WHERE YOU CAN FIND MORE INFORMATION .....	S-5
SUMMARY OF THE OFFERING .....	S-6
THE COMPANY .....	S-8
CONSOLIDATED CAPITALIZATION .....	S-10
USE OF PROCEEDS .....	S-11
DESCRIPTION OF DEBENTURES .....	S-11
CREDIT RATINGS .....	S-20
EARNINGS COVERAGE RATIO .....	S-21
PLAN OF DISTRIBUTION .....	S-22
RISK FACTORS .....	S-23
ELIGIBILITY FOR INVESTMENT .....	S-25
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	S-25
LEGAL MATTERS .....	S-26
AUDITORS .....	S-27
PURCHASERS' STATUTORY RIGHTS .....	S-27
CERTIFICATE OF THE COMPANY .....	C-1
CERTIFICATE OF THE AGENTS .....	C-2

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**PROSPECTUS**

ABOUT THIS PROSPECTUS .....	3
WHERE YOU CAN FIND MORE INFORMATION .....	4
NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS .....	4
NOTICE TO UNITED STATES INVESTORS REGARDING MINERAL RESERVES AND RESOURCES .....	5
DOCUMENTS INCORPORATED BY REFERENCE .....	6
THE COMPANY .....	7
CONSOLIDATED CAPITALIZATION .....	7
USE OF PROCEEDS .....	8
EARNINGS COVERAGE RATIOS .....	8
DESCRIPTION OF THE DEBT SECURITIES .....	8
DESCRIPTION OF SHARE CAPITAL .....	16
DESCRIPTION OF WARRANTS .....	18
DESCRIPTION OF SUBSCRIPTION RECEIPTS .....	19
PLAN OF DISTRIBUTION .....	20
PRIOR SALES .....	21
TRADING PRICE AND VOLUME .....	21
RISK FACTORS .....	22
CERTAIN INCOME TAX CONSEQUENCES .....	22
LEGAL MATTERS .....	22
INTERESTS OF EXPERTS .....	22
AUDITORS .....	23
DOCUMENTS FILED AS PART OF THIS REGISTRATION STATEMENT .....	23
PURCHASERS' STATUTORY RIGHTS .....	23
AUDITORS' CONSENT .....	24
CERTIFICATE OF THE COMPANY .....	25

**In this prospectus supplement, except as otherwise indicated, references to “Cameco”, the “Company”, “we”, “us” and “our” refer to Cameco Corporation and/or, as applicable, one or more or all of its subsidiaries, including NUKEM Energy GmbH.**

All references in this prospectus supplement to “\$” and “dollars” are to Canadian dollars, unless otherwise stated.

#### **NOTE REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS**

Certain statements in this prospectus supplement and the base shelf prospectus, together with the information incorporated herein and therein, which are not current statements or historical facts constitute “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking information and statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by them. Sentences and phrases containing words such as “believe”, “estimate”, “anticipate”, “plan”, “will”, “intend”, “predict”, “outlook”, “goal”, “target”, “forecast”, “project”, “scheduled”, “proposed”, “expect”, “potential”, “strategy”, and the negative of any of these words, or variations of them, or comparable terminology that does not relate strictly to current or historical facts, are all indicative of forward-looking information or statements.

Examples of forward-looking information and statements in this prospectus, the base shelf prospectus, our most recently filed annual information form and the other documents incorporated by reference herein include, but are not limited to: our mineral resource and mineral reserve estimates; our future plans and expectations for each of our uranium operating properties, future uranium deliveries, development projects and projects under evaluation, and fuel services operating sites; our expectation that existing cash balances and operating cash flows would be sufficient to meet our anticipated 2014 capital requirements without the need for any significant additional funding; our expectation that our operating and investment activities in 2014 will not be constrained by the financial covenants in our unsecured revolving credit facility; our plan for 2 million to 3 million packaged pounds (100% basis) in 2014 from milling Cigar Lake ore at AREVA’s McClean Lake mill; future royalty and tax payments and rates; our expectations relating to our tax dispute with the Canada Revenue Agency including our estimate of the amount and timing of expected cash taxes and transfer pricing penalties payable to the Canada Revenue Agency; and our expectations about 2014 and future global uranium supply, consumption, demand, number of operable reactors and nuclear generating capacity.

There are risk factors that could cause actual results to differ materially from the forward-looking information and statements in this prospectus supplement, the base shelf prospectus and other information incorporated by reference herein. Factors that could cause such differences include, without limitation: actual sales volumes or realized prices for any of our products or services are lower than we expect for any reason, including changes in market prices or loss of market share to a competitor; we are adversely affected by changes in foreign currency exchange rates, interest rates or tax rates; production costs are higher than planned, or necessary supplies are not available, or not available on commercially reasonable terms; our estimates of production, purchases, costs, decommissioning or reclamation expenses, or our tax expense estimates, prove to be inaccurate; our forecasts relating to termination of uranium sales contracts with our customers prove to be inaccurate; we are unable to enforce our legal rights under our existing agreements, permits or licences; we are subject to litigation or arbitration that has an adverse outcome, including lack of success in our dispute with the Canada Revenue Agency; there are defects in, or challenges to, the title to our properties; our mineral reserve and resource estimates are not reliable, or we face unexpected or challenging geological, hydrological or mining conditions; we are affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays; we cannot obtain or maintain necessary permits or approvals from government authorities; we are affected by political risks in a developing country where we operate; we are affected by terrorism, sabotage, blockades, civil unrest, social or political activism, accident or a deterioration in political support for, or demand for, nuclear energy; we are affected by changes in the regulation or public perception of the safety of nuclear power plants, which adversely affect the construction of new plants, the relicensing of existing plants and the demand for uranium; there are changes to government regulations or policies that adversely affect us, including tax and trade laws and policies; our uranium and conversion suppliers fail to fulfill delivery commitments; our Cigar Lake development, mining or production plans are delayed or do not succeed, including as a result of any difficulties encountered with the jet boring mining method, or freezing the deposit to meet production targets, any difficulties with the McClean Lake mill modifications or commissioning or milling of Cigar Lake ore, or our inability to acquire any of

the required jet boring equipment; our McArthur River development, mining or production plans are delayed or do not succeed; we are affected by natural phenomena, including inclement weather, fire, flood and earthquakes; and our operations are disrupted due to problems with our own or our customers' facilities, the unavailability of reagents, equipment, operating parts and supplies critical to production, equipment failure, lack of tailings capacity, labour shortages, labour relations issues (including an inability to renew agreements with unionized employees at McArthur River and Key Lake), strikes or lockouts, underground floods, cave-ins, ground movements, tailings dam failures, transportation disruptions or accidents or other development and operating risks.

Forward-looking information and statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: our expectations regarding sales and purchase volumes and prices for uranium and fuel services; our expectations about the demand for uranium, the construction of new nuclear power plants and the relicensing of existing nuclear power plants not being more adversely affected than expected by changes in regulation or in the public perception of the safety of nuclear power plants; expected production levels and production costs; the assumptions regarding market conditions upon which we have based our capital expenditure expectations; expected spot prices and realized prices for uranium; our expectations regarding tax rates and payments, foreign currency exchange rates and interest rates; our expectations about the outcome of our dispute with Canada Revenue Agency; our decommissioning and reclamation expenses; our mineral reserve and resource estimates and that the assumptions upon which they are based are reliable; geological, hydrological and other conditions at our mines; our Cigar Lake mining and production plans succeed, including the additional jet boring unit system is acquired on schedule, the jet boring mining method works as anticipated, and the deposit freezes as planned; mill modifications and commissioning of the McClean Lake mill are completed as planned and the mill is able to process Cigar Lake ore as expected, including our expectation of processing 2 million to 3 million packaged pounds (100% basis) in 2014; our expectation that our McArthur River development, mining and production plans will succeed; our ability to continue to supply our products and services in the expected quantities and at the expected times; our ability to comply with current and future environmental, safety and other regulatory requirements, and to obtain and maintain required regulatory approvals; and our operations are not significantly disrupted as a result of political instability, nationalization, terrorism, sabotage, blockades, civil unrest, social or political activism, breakdown, natural disasters, governmental or political actions, litigation or arbitration proceedings, the unavailability of reagents, equipment, operating parts and supplies critical to production, equipment failure, labour shortages, labour relations issues (including an inability to renew agreements with unionized employees at McArthur River and Key Lake), strikes or lockouts, underground floods, cave-ins, ground movements, tailings dam failures, lack of tailings capacity, transportation disruptions or accidents or other development or operating risks.

The forward-looking information and statements included in this prospectus supplement, the base shelf prospectus and the documents incorporated by reference represent our views as of the date of such documents and should not be relied upon as representing our views as of any subsequent date. While we anticipate that subsequent events and developments may cause our views to change, we specifically disclaim any intention or obligation to update forward-looking information and statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws. Forward-looking information and statements contained in this prospectus supplement, the base shelf prospectus and the documents incorporated by reference about prospective results of operations, financial position or cash flows that are based upon assumptions about future economic conditions and courses of action are presented for the purpose of assisting our security holders in understanding management's current views regarding those future outcomes, and may not be appropriate for other purposes.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

This prospectus supplement is deemed to be incorporated by reference into the base shelf prospectus solely for the purposes of this Offering. Other documents are also incorporated or deemed to be incorporated by reference into the base shelf prospectus and reference should be made to the base shelf prospectus for full particulars thereof.

The following documents, which have been filed by the Company with securities commissions or similar authorities in Canada, are also specifically incorporated by reference into and form an integral part of the base shelf prospectus, as supplemented by this prospectus supplement:

- (a) Annual Information Form of Cameco for the year ended December 31, 2013, dated February 27, 2014 (the "Annual Information Form");



- (b) Consolidated Financial Statements of Cameco (the “**Consolidated Financial Statements**”) as at December 31, 2013, December 31, 2012 and January 1, 2012 and for the years ended December 31, 2013 and December 31, 2012 and related notes, together with the auditors’ report thereon, and Management’s Discussion and Analysis of Cameco in respect of the Consolidated Financial Statements;
- (c) Management Proxy Circular of Cameco dated April 9, 2014 in connection with the Annual Meeting of Shareholders held on May 28, 2014;
- (d) Material Change Report dated February 7, 2014 relating to our agreement to sell our 31.6% limited partnership interest in Bruce Power L.P. and 333 1/3 common shares in the capital of Bruce Power Inc. to BPC Generation Infrastructure Trust;
- (e) Unaudited Interim Consolidated Financial Statements of Cameco as at and for the three month periods ended March 31, 2014 and March 31, 2013, and related notes contained therein;
- (f) Management’s Discussion and Analysis of Cameco for the three-month period ended March 31, 2014;
- (g) The template indicative term sheet (the “**Indicative Term Sheet**”) prepared for potential investors in connection with the Offering, dated June 16, 2014 filed on SEDAR by Cameco on June 16, 2014;
- (h) The template final term sheet (the “**Final Term Sheet**”) prepared for potential investors in connection with the Offering, dated June 16, 2014 filed on SEDAR by Cameco on June 16, 2014; and
- (i) The investor presentation dated June 10-12, 2014 titled, “Fixed Income Investor Update – June 10-12, 2014” (the “**Investor Presentation**”).

Any documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus* filed by Cameco with the securities commission or similar authority in each of the provinces of Canada after the date of this prospectus supplement and prior to the termination of the distribution of the Series G Debentures shall be deemed to be incorporated by reference in the base shelf prospectus, as supplemented by this prospectus supplement.

**Any statement contained in the base shelf prospectus, in this prospectus supplement or in any document incorporated or deemed to be incorporated by reference in the base shelf prospectus for the purpose of this Offering shall be deemed to be modified or superseded, for purposes of this prospectus supplement, to the extent that a statement contained herein or in the base shelf prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the base shelf prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this prospectus supplement, except as so modified or superseded.**

#### **MARKETING MATERIALS**

The Indicative Term Sheet, Final Term Sheet and Investor Presentation incorporated by reference herein constitute “marketing materials” as defined in National Instrument 41-101 – *General Prospectus Requirements*. Any template version of any marketing materials filed after the date of this prospectus supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this prospectus supplement. Any such marketing materials are not part of the base shelf prospectus or this prospectus supplement to the extent that their contents have been modified or superseded by a statement contained in an amendment to this prospectus supplement. In addition to the information also included or incorporated by reference in the base shelf prospectus or this prospectus supplement, the Investor Presentation also contains information regarding our use of the term EBITDA, which does not have a standardized meaning or a consistent basis of calculation under IFRS, but which we define as Earnings from Operations adjusted for disposition of assets, impairment charges and depreciation and amortization, and a reconciliation of EBITDA to Net Earnings to Equity Holders, and such information is hereby incorporated by reference into this prospectus supplement.

## **WHERE YOU CAN FIND MORE INFORMATION**

Information has been incorporated by reference in the accompanying base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of this prospectus supplement, together with the base shelf prospectus and documents incorporated by reference, may be obtained on request without charge from the Corporate Secretary, Cameco Corporation at 2121 – 11<sup>th</sup> Street West, Saskatoon, Saskatchewan S7M 1J3 (Telephone (306) 956-6200). Copies of these documents are available on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators (“**SEDAR**”), at [www.sedar.com](http://www.sedar.com).

## SUMMARY OF THE OFFERING

*The following is a summary of the principal features of the Offering of the Series G Debentures and is subject to, and should be read together with the more detailed information, financial data and statements contained elsewhere in, and incorporated by reference into, this prospectus supplement and the accompanying base shelf prospectus to which it relates.*

<b>Issuer</b>	Cameco Corporation
<b>Issue</b>	\$500,000,000 aggregate principal amount of 4.19% Series G Debentures
<b>Price to the Public</b>	\$999.60 per \$1,000 principal amount of Series G Debentures
<b>Issue Date</b>	June 24, 2014
<b>Maturity Date</b>	June 24, 2024
<b>Interest Rate</b>	4.19% per annum, calculated and payable in equal semi-annual payments in arrears.
<b>Interest Payment Dates</b>	June 24 and December 24 in each year, commencing December 24, 2014.
<b>Ranking</b>	The Series G Debentures will be direct, unsecured obligations of Cameco and will rank equally and rateably with one another and with all other present and future unsecured and unsubordinated indebtedness of Cameco, except to the extent prescribed by law.
<b>Use of Proceeds</b>	The estimated net proceeds to Cameco from this Offering, after payment of the Agents' fee and the estimated expenses of this Offering, are \$496,500,000. The Company intends to use the net proceeds to redeem its outstanding Series C – 4.70% debentures due September 16, 2015 (the “ <b>Series C Debentures</b> ”) and for general corporate purposes.
<b>Optional Redemption</b>	The Series G Debentures will, prior to March 24, 2024, be redeemable at the option of the Company at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at the higher of the Canada Yield Price (as herein defined) and par, together in each case with accrued and unpaid interest to the date fixed for redemption. On and after March 24, 2024 (three months prior to the Maturity Date), the Series G Debentures will be redeemable at the option of the Company at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at par, plus accrued and unpaid interest to the date fixed for redemption.
<b>Change of Control Offer</b>	If a Change of Control Triggering Event (as herein defined) occurs, unless the Company has exercised its optional right to redeem all of the Series G Debentures as described above, Cameco will be required to make an offer to repurchase all or, at the option of a Holder, any part of such Holder's Series G Debentures pursuant to a Change of Control Offer. In a Change of Control Offer, Cameco will be required to offer payment in cash equal to 101% of the aggregate principal amount of Series G Debentures together with accrued and unpaid interest on the Series G Debentures repurchased. See “Description of Debentures – Repurchase on a Change of Control Triggering Event”.
<b>Certain Covenants</b>	The Canadian Trust Indenture pursuant to which the Series G Debentures will be issued will contain certain covenants that, among other things, limit the ability of Cameco and any Restricted Subsidiaries (as defined in the Indenture) to create any Lien (as defined in the Indenture) to secure any indebtedness and limit the ability of such Restricted Subsidiaries to incur indebtedness. The covenants are subject to important exceptions, limitations and qualifications as described in the base shelf prospectus under “Description of the Debt Securities – Certain Covenants”.



<b>Credit Ratings</b>	<p>DBRS Limited: A (low), Stable Trend</p> <p>Standard &amp; Poor’s Ratings Services: BBB+, Negative Outlook</p> <p>These ratings are not recommendations to purchase, hold or sell the Series G Debentures and may be subject to revision or withdrawal at any time. See “Credit Ratings”.</p>
<b>Purchase for Cancellation</b>	All or any principal amount of the Series G Debentures may be purchased for cancellation at any time in the market, by tender or by private contract.
<b>Form and Registration of Series G Debentures</b>	The Series G Debentures will be represented by one or more global debenture certificates issued to and registered in the name of CDS and deposited with CDS on the closing date. Cameco understands that a purchaser of Series G Debentures will receive only a customer confirmation from the registered dealer who is a CDS participant from or through whom the Series G Debentures are purchased and that no other certificates representing the Series G Debentures will be issued.
<b>Denomination</b>	The Series G Debentures will be sold in denominations of \$1,000 and integral multiples thereof.
<b>Trustee</b>	CIBC Mellon Trust Company.
<b>Closing Date</b>	On or about June 24, 2014, or such other date agreed upon by Cameco and the Agents, but not later than June 27, 2014.
<b>Risk Factors</b>	<b>Investors should carefully review and evaluate certain risk factors before purchasing the Series G Debentures. See “Risk Factors”.</b>
<b>Governing Law</b>	The Canadian Trust Indenture and the Series G Debentures will be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

## THE COMPANY

We are one of the world's largest uranium producers, and in 2013 accounted for about 15% of the world's production. We have controlling ownership of the world's largest high-grade reserves, with ore grades up to 100 times the world average, and low-cost operations. Nuclear energy plants around the world use our uranium products to generate one of the cleanest sources of electricity available today. We are also an integrated uranium fuel supplier, offering refining, conversion and fuel manufacturing services. Finally, our ownership of NUKEM Energy GmbH ("NUKEM") provides us with access to one of the world's leading traders of uranium and uranium-related products.

No resident of Canada, alone or together with associates, may hold, beneficially own or control, directly or indirectly, other than by way of security only or for purposes of distribution by an underwriter, voting securities to which are attached more than 25% of the votes that may ordinarily be cast to elect our directors. Similarly, no non-resident of Canada, alone or together with associates, may hold, beneficially own or control, directly or indirectly, other than by way of security only or for purposes of distribution by an underwriter, voting securities to which are attached more than 15% of the votes that may ordinarily be cast to elect our directors. Further, the votes attaching to our securities held, beneficially owned or controlled, directly or indirectly, by all non-residents of Canada together, and cast at any meeting of our shareholders, will be counted or pro-rated so as to limit the counting of those votes to not more than 25% of the total number of votes cast by the shareholders at that meeting. In certain years, including 2013 and 2014, we have limited the counting of votes cast by non-residents of Canada at our annual shareholder meeting to abide by this restriction, which resulted in non-residents of Canada receiving less than one vote per share. Our articles of incorporation contain provisions for the enforcement of the restrictions relating to ownership and voting by residents and non-residents of Canada described above, including provisions for suspension of voting rights, forfeiture of dividends and other distributions to shareholders, prohibitions against the issue and transfer of securities and suspension of all remaining shareholders' rights.

Further particulars with respect to our business operations and ownership restrictions are contained under the headings "About Cameco", "Operations and Development Projects" and "Investor Information – Share Capital – Ownership and Voting Restrictions" in the Annual Information Form.

The Company's registered and principal office is located at 2121 – 11th Street West, Saskatoon, Saskatchewan S7M 1J3.

### Recent Developments

Since 2008, the Canada Revenue Agency ("CRA") has disputed the offshore marketing company structure and related transfer pricing methodology we used for certain intercompany uranium sale and purchase agreements, and issued notices of reassessment for our 2003 through 2009 tax returns. We continue to believe the ultimate resolution of this matter will not be material to our financial position, results of operations and cash flows in the year(s) of resolution. We are updating our disclosure on the CRA case to reflect developments since our management's discussion and analysis for the first quarter of 2014, primarily our receipt from CRA of the reassessment for the 2009 taxation year and the making of associated payments to CRA.

Transfer pricing is a complex area of tax law, and it is difficult to predict the outcome of a case like ours as there are only a handful of reported court decisions on transfer pricing in Canada. However, tax authorities generally test two things:

- the governance (structure) of the corporate entities involved in the transactions, and
- the price at which goods and services are sold by one member of a corporate group to another.

The majority of our customers are located outside Canada and we established a marketing structure involving foreign companies including Cameco Europe Ltd., which entered into intercompany purchase and sale agreements with Cameco as well as uranium supply agreements with third parties. Cameco and Cameco Europe Ltd. made reasonable efforts to put arm's length transfer pricing arrangements in place, and these arrangements expose both parties to the risks and rewards accruing to them under this portfolio of purchase and sales contracts.

The intercompany contract prices are generally comparable to those established in sales contracts between arm's-length buyers and sellers entered into at that time. We have recorded a cumulative tax provision of \$75 million, where

an argument could be made that our transfer price may have fallen outside of an appropriate range of pricing in uranium contracts for the period from 2003 to March 31, 2014.

We are confident that we will be successful in our case; however, for the years 2003 through 2009, CRA issued notices of reassessment for approximately \$2.8 billion of additional income for Canadian tax purposes, which would result in a related tax expense of about \$820 million. The Canadian Income Tax Act includes provisions that require larger companies like us to pay 50% of the cash tax plus related interest and penalties at the time of reassessment. To date, under these provisions, after applying elective deductions and tax loss carryovers, we have been required to pay a net amount of \$211 million to CRA, which includes the amounts shown in the table below.

<u>Year (\$ Millions)</u>	<u>Cash Taxes</u>	<u>Interest and Instalment Penalties</u>	<u>Transfer Pricing Penalties</u>	<u>Total</u>
Prior to 2013 .....	—	13	—	13
2013 .....	1	9	36	46
2014 .....	<u>102</u>	<u>50</u>	—	<u>152</u>
<b>Total</b>	<b><u>103</u></b>	<b><u>72</u></b>	<b><u>36</u></b>	<b><u>211</u></b>

Using the methodology we believe CRA will continue to apply, and including the \$2.8 billion already reassessed, we expect to receive notices of reassessment for a total of approximately \$5.7 billion of additional income as taxable in Canada for the years 2003 through 2013, which would result in a related tax expense of approximately \$1.6 billion. As well, CRA may continue to apply transfer pricing penalties to taxation years subsequent to 2007. As a result, we estimate that cash taxes and transfer pricing penalties would be between \$1.25 billion and \$1.3 billion. In addition, we estimate there would be interest and instalment penalties applied that would be material to us. We would be responsible for remitting 50% of the cash taxes and transfer pricing penalties (between \$625 million and \$650 million), plus related interest and instalment penalties assessed, which would be material to us.

Under the Canadian federal and provincial tax legislation, the amount required to be remitted each year will depend on the amount of income reassessed in that year and the availability of elective deductions and tax loss carryovers. The estimated amounts summarized in the table below reflect actual amounts paid and estimated future payments to CRA.

<u>\$ Millions</u>	<u>2003 – 2013</u>	<u>2014<sup>(2)</sup></u>	<u>2015 – 2016</u>	<u>2017 – 2023</u>	<u>Total</u>
50% of cash taxes and transfer penalties payable in the period <sup>(1)</sup> .....	37	155 – 175	410 – 435	0 – 25	625 – 650

(1) These amounts do not include interest and instalment penalties, which totaled approximately \$72 million to June 10, 2014, nor potential reassessments for taxation years after 2013.

(2) These amounts include \$102 million already paid in 2014.

In light of our view of the likely outcome of the case as described above, we expect to recover the amounts remitted to CRA, including the \$211 million already paid to date.

Our appeal of the 2003 reassessment is expected to be heard in the Tax Court of Canada in 2015. If this timing is adhered to, we expect to have a Tax Court decision by 2016.

This discussion of our expectations relating to our tax dispute with CRA and future tax reassessments by CRA is forward-looking information that is based on the assumptions and subject to the material risks discussed under the heading “Note Regarding Forward-Looking Information and Statements,” and also on a number of more specific assumptions and risks. We have assumed that: (i) CRA will reassess us for the years 2010 through 2013 using a similar methodology as for the years 2003 through 2009, and the reassessments will be issued on the basis we expect; (ii) we will be able to apply elective deductions and tax loss carryovers to the extent anticipated; (iii) CRA will seek to impose transfer pricing penalties (10% of the income adjustment) in addition to interest charges and instalment penalties; and (iv) we will be substantially successful in our dispute with CRA and the cumulative tax provision of \$75 million to date will be adequate to satisfy any tax liability resulting from the outcome of the dispute to date. Material risks that could cause actual results to differ materially include: (i) CRA reassesses us for years 2010 through 2013 using a different methodology than for years 2003 through 2009, or we are unable to utilize elective deductions and loss carryovers to

the same extent as anticipated, resulting in the required cash payments to CRA pending the outcome of the dispute being higher than expected; (ii) the time lag for the reassessments for each year is different than we currently expect; (iii) we are unsuccessful and the outcome of our dispute with CRA results in significantly higher cash taxes, interest charges and penalties than the amount of our cumulative tax provision, which could have a material adverse effect on our liquidity, financial position, results of operations and cash flows; and (iv) cash tax payable increases due to unanticipated adjustments by CRA not related to transfer pricing.

On July 16, 2014 (the “**Redemption Date**”), the Company will redeem in full its Series C Debentures in accordance with the terms of the Trust Indenture (as defined herein) and third supplemental trust indenture. On the Redemption Date, Cameco will pay to the holders of redeemed Series C Debentures a redemption price equal to the principal amount of the Series C Debentures, plus accrued and unpaid interest up to but excluding the Redemption Date, for a total of \$1,055.670 per \$1,000 principal amount of Series C Debentures. The aggregate principal amount of Series C Debentures currently outstanding is \$300,000,000.

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2013, the date of the Consolidated Financial Statements, and as at March 31, 2014, both actual and as adjusted to reflect the issuance of the Series G Debentures offered hereby (net of estimated Offering expenses) and the application of the net proceeds to redeem the Series C Debentures as described under “Use of Proceeds”. This table should be read in conjunction with the Company’s Consolidated Financial Statements and the unaudited Interim Consolidated Financial Statements for the three month period ended March 31, 2014.

	<u>December 31, 2013</u>	<u>March 31, 2014</u>	<u>March 31, 2014</u> <u>after giving effect</u> <u>to this Offering</u>
	<u>(in thousands,</u> <u>except share data)</u>	<u>(unaudited)</u> <u>(in thousands,</u> <u>except share data)</u>	<u>(unaudited)</u> <u>(in thousands,</u> <u>except share data)</u>
<b>Cash and cash equivalents (net of bank overdraft)</b> .....	\$187,909	\$357,322	\$537,121 <sup>(1)</sup>
<b>Short-term debt</b> <sup>(2)</sup> .....	\$50,230	\$40,218	\$40,218
<b>Long-term debt</b> <sup>(3)</sup> .....			
4.7% Senior Unsecured Debentures, Series C due 2015 .....	299,537	299,605	nil <sup>(1)</sup>
5.67% Senior Unsecured Debentures, Series D, due 2019 .....	497,003	497,115	497,115
3.75% Senior Unsecured Debentures, Series E, due 2022 .....	397,626	397,682	397,682
5.09% Senior Unsecured Debentures, Series F, due 2042 .....	99,217	99,220	99,220
4.19% Senior Unsecured Debentures, Series G due 2024 .....	nil	nil	496,500
Bank debt .....	nil	nil	nil
<b>Total long-term debt</b> .....	<u>\$1,293,383</u>	<u>\$1,293,622</u>	<u>\$1,490,517<sup>(1)</sup></u>
<b>Total indebtedness</b> .....	<u>\$1,343,613</u>	<u>\$1,333,840</u>	<u>\$1,530,735<sup>(1)</sup></u>
<b>Shareholders’ equity</b>			
Share capital <sup>(4)</sup> .....	\$1,854,671	\$1,861,587	\$1,861,587
	(395,477,230	(395,750,865	(395,750,865
	shares)	shares)	shares)
Contributed surplus .....	186,382	187,588	187,588
Retained earnings .....	3,314,049	3,405,890	3,389,189 <sup>(1)</sup>
Other components of equity .....	(6,837)	73,276	73,276 <sup>(1)</sup>
<b>Total shareholders’ equity attributable to equity holders</b> .....	<u>\$5,348,265</u>	<u>\$5,528,341</u>	<u>\$5,511,640</u>
<b>Total capitalization</b> .....	<u>\$6,691,878</u>	<u>\$6,862,181</u>	<u>\$7,042,375<sup>(1)</sup></u>

Notes:

(1) Assuming the application of the net proceeds to redeem the Series C Debentures as described under “Use of Proceeds”.

- (2) Short-term debt is comprised of short-term debt, the current portion of long-term debt and our commercial paper program, which is supported by a \$1,250,000,000 unsecured revolving credit facility that matures November 1, 2018.
- (3) The current portion of long-term debt is included under short-term debt. The general terms of the long-term indebtedness in the above table are set out in note 15 of the Consolidated Financial Statements.
- (4) An unlimited number of common shares, first preferred shares and second preferred shares are authorized. This does not include 9,817,443 common shares of the Company issuable pursuant to the Company's stock option plan as of December 31, 2013. As of December 31, 2013, the Company issued 126,836 common shares pursuant to option exercises under its stock option plan.

Between March 31, 2014 and the date of this prospectus supplement, there has been no material change in the share or loan capital structure of Cameco, other than the changes noted in the capitalization table and notes set forth above.

## USE OF PROCEEDS

The estimated net proceeds to Cameco from this Offering, after payment of the Agents' fee and the estimated expenses of this Offering, are \$496,500,000. The Company intends to use the net proceeds to redeem its outstanding Series C Debentures and for general corporate purposes. The Series C Debentures will be redeemed on July 16, 2014 in accordance with the terms of the Trust Indenture (as defined herein) and third supplemental trust indenture. Pending use of the proceeds to redeem the Series C Debentures, the proceeds from this Offering will be held in cash or invested in short-term debt obligations.

## DESCRIPTION OF DEBENTURES

The following description sets forth a summary of the terms and provisions of the Series G Debentures and should be read together with the section of the base shelf prospectus under the heading "Description of the Debt Securities", which sets forth a summary of additional terms and provisions of all debentures issuable under the 1999 Trust Indenture, including the Series G Debentures. As used herein, the term "**outstanding debentures**" means all debentures outstanding under the 1999 Trust Debenture, including the Series G Debentures. These descriptions are not meant to be complete and are subject to, and qualified in their entirety by, the detailed provisions of the Canadian Trust Indenture.

Unless we state otherwise or the context clearly indicates otherwise, under this heading "Description of Debentures", all references to "**Cameco**" mean Cameco Corporation only.

### General

The Series G Debentures will be unsecured obligations of Cameco and will bear interest at the rate of 4.19% per annum from June 24, 2014, and will mature on June 24, 2024. Principal and interest (payable in equal semi-annual payments on June 24 and December 24, beginning on December 24) on the Series G Debentures will be payable in lawful money of Canada. The first interest payment will be due on December 24, 2014. The Series G Debentures will be issued in denominations of \$1,000 and integral multiples thereof. The record date for the payment of interest will be the tenth Business Day preceding the relevant interest payment date. For any interim period, interest to be paid will be computed using the Actual/365 (Canadian Bond) Day-Count Convention as adopted by the Investment Industry Association of Canada.

The Series G Debentures will be issued as the seventh series of debentures issued under the 1999 Trust Indenture pursuant to the Seventh Supplemental Indenture providing for, among other things, the creation and issue of the Series G Debentures.

Cameco will be entitled to issue additional Series G Debentures under the Canadian Trust Indenture which will have identical terms as the Series G Debentures initially issued, other than with respect to the date of issuance and issue price. The Series G Debentures initially issued and any additional Series G Debentures issued will be treated as a single class for purposes of the Canadian Trust Indenture.

The 1999 Trust Indenture provides that debentures may be issued in one or more series, with certain terms to be fixed at the time of issuance.

A copy of the 1999 Trust Indenture was filed on SEDAR (www.sedar.com) under Cameco Corporation on August 31, 2005 and a copy of the Seventh Supplemental Indenture (in draft form until executed) may be inspected during business hours at the head office of Cameco or the principal office of the Trustee in Toronto, Ontario during the course of the distribution.

### **Ranking**

The Series G Debentures will be direct, unsecured obligations of Cameco and will rank equally and rateably with one another and with all other unsecured and unsubordinated indebtedness of Cameco (including the outstanding debentures), except to the extent prescribed by law.

### **Notices**

Any notice required by the Canadian Trust Indenture to be provided to holders of the Series G Debentures will be given by mail to the registered holders at the addresses as they appear in the security register.

### **Optional Redemption by Cameco**

The Series G Debentures will, prior to March 24, 2024, be redeemable at the option of Cameco at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at the higher of the Canada Yield Price and par, together in each case with accrued and unpaid interest to the date fixed for redemption. On and after March 24, 2024 (three months prior to the Maturity Date), the Series G Debentures will be redeemable at the option of Cameco at any time, in whole or in part, upon not more than 60 days and not less than 30 days prior notice, at par, plus accrued and unpaid interest to the date fixed for redemption.

Where less than all of the Series G Debentures are to be redeemed pursuant to their terms, the Series G Debentures to be so redeemed will be redeemed on a *pro rata* basis according to the principal amount of the Series G Debentures registered in the respective name of each Holder of Series G Debentures, or by lot by the Trustee in such manner as the Trustee may consider equitable. No Series G Debenture shall be redeemed in part unless the principal amount redeemed is \$1,000 or a multiple thereof.

For the purposes of the foregoing provisions, the following terms will be defined in the Canadian Trust Indenture substantially as follows:

**“Canada Yield Price”** shall mean, with respect to the Series G Debentures, a price equal to the price of the Series G Debentures calculated to provide a yield to maturity, compounded semi-annually, equal to the Government of Canada Yield plus 0.475% on the Business Day preceding the day notice of redemption is given.

**“Government of Canada Yield”** shall mean, on any date, the arithmetic average of the interest rates quoted to Cameco by two independent, registered Canadian investment dealers selected by Cameco as being the annual yield to maturity, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a maturity date that is the same as the maturity date of the Series G Debentures.

### **Repurchase on a Change of Control Triggering Event**

If a Change of Control Triggering Event (as defined below) occurs, unless Cameco has exercised its optional right to redeem all of the Series G Debentures as described above, Cameco will be required to make an offer to repurchase all or, at the option of a Holder of Series G Debentures, any part (equal to \$1,000 or an integral multiple thereof) of such Holder’s Series G Debentures (a **“Change of Control Offer”**). In a Change of Control Offer, Cameco will be required to offer payment in cash equal to 101% of the aggregate principal amount of the Series G Debentures, together with accrued and unpaid interest on the Series G Debentures being repurchased pursuant to the Change of Control Offer to the date of such repurchase.



Within 30 days following any Change of Control Triggering Event, unless Cameco has exercised its optional right to redeem Series G Debentures as described above within such 30 day period, Cameco will be required to give written notice to Holders of the Series G Debentures describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Series G Debentures on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the “**Change of Control Payment Date**”). Cameco must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Series G Debentures as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions described in this prospectus supplement relating to a Change of Control (as defined below), Cameco will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase the Series G Debentures by virtue of such conflict. Cameco will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all the Series G Debentures properly tendered and not withdrawn under its offer.

For the purposes of the foregoing provisions, the following terms will be defined in the Canadian Trust Indenture substantially as follows:

“**Additional Designated Rating Agency**” shall mean any “designated rating organization” within the meaning of National Instrument 51-102 of the Canadian Securities Administrators, or any replacement or updated instrument, (other than S&P and DBRS) selected by Cameco.

“**Change of Control**” shall mean the occurrence of any one of the following: (a) the direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation or merger), in one transaction or a series of related transactions, of all or substantially all of the property and assets of Cameco and its Controlled Entities, taken as a whole, to any person or group of persons acting jointly or in concert for purposes of such transaction (other than to Cameco and its Controlled Entities); or (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger or issue of voting shares the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than Cameco and its Controlled Entities) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of Cameco, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of Cameco).

“**Change of Control Triggering Event**” shall mean the occurrence of both a Change of Control and a Rating Event.

“**Controlled Entity**” of any person shall mean and shall include (a) any corporation more than 50% of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock or issued share capital or any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such person directly or indirectly through subsidiaries and (b) any partnership, association, joint venture or other entity in which such person directly or indirectly through subsidiaries has more than a 50% ownership interest at the time and (c) any other corporation, association, partnership, joint venture or other entity (i) the accounts of which would be consolidated with those of such person in such person’s consolidated financial statements if such statements were prepared in accordance with generally accepted accounting principles or (ii) that is Controlled by such person. For this purpose, “**Controlled**” and similar expressions shall mean a relationship between two persons wherein one of such persons has the power, through the ownership of securities, by contractual arrangements or otherwise, to direct the management and policies of the other of such persons, and includes, without limitation, in the case of a corporation, the ownership, either directly or indirectly through one or more persons, of securities of such corporation carrying more than 50% of the votes that may be cast to elect the directors of such corporation either under all circumstances or under some circumstances that have occurred and are continuing (other than securities held as collateral for a *bona fide* debt where the holder thereof is not entitled to exercise the voting rights attached thereto), provided that such votes, if exercised, are sufficient to elect a majority of the directors of such corporation.

“**Investment Grade Rating**” shall mean a rating equal to or higher than BBB- (or the equivalent) by Standard & Poor’s, a division of McGraw-Hill Companies (“**S&P**”), BBB (low) (or the equivalent) by DBRS Limited (“**DBRS**”), or the equivalent investment grade credit rating from any other Specified Rating Agency.

“**Rating Event**” shall mean the rating on the Series G Debentures is lowered to below an Investment Grade Rating by at least two out of the three Specified Rating Agencies, if there are three, or all of the Specified Ratings Agencies, if there are less than three Specified Ratings Agencies (the “**Required Threshold**”), on any day within the 60 day period (which 60 day period will be extended so long as the rating of the Series G Debentures is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Ratings Agencies which have already lowered their ratings on the Series G Debentures, as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of Cameco’s intention or agreement to effect a Change of Control.

“**Specified Rating Agencies**” shall mean each of S&P and DBRS and, if a rating of the Series G Debentures is obtained from an Additional Designated Rating Agency shall also include such Additional Designated Rating Agency, as long as, in each case, it has not ceased to rate the Series G Debentures or failed to make a rating of the Series G Debentures publicly available for reasons outside of Cameco’s control; provided that if S&P or DBRS ceases to rate the Series G Debentures, or fails to make a rating of the Series G Debentures publicly available for reasons outside of Cameco’s control, Cameco may select any other Additional Designated Rating Agency as a replacement agency for such one or more of them, as the case may be.

### **Events of Default**

The Canadian Trust Indenture provides that the Trustee may or shall, if so directed by the holders of at least 25% of the principal amount of the outstanding debentures (or, if an event of default has occurred which is applicable only to one or more series of outstanding debentures, including the Series G Debentures, the holders of at least 25% in aggregate principal amount of the outstanding debentures of such series), declare the principal of and interest accrued on the outstanding debentures (or the outstanding debentures of such affected series, including the Series G Debentures, as the case may be), to be due and payable to the Trustee immediately upon the occurrence of certain events of default (the “**Events of Default**”), which include the following:

- (a) if Cameco makes default in payment of the principal of or premium, if any, on any outstanding debentures when due and such default continues for a period of five (5) business days;
- (b) if Cameco makes default in payment of any interest due on any outstanding debentures or on any sinking fund payment due and any such failure continues for a period of 30 days;
- (c) if Cameco makes default in observing or performing any other covenant or condition under the Canadian Trust Indenture for a period of 60 days (or such longer period as agreed to by the Trustee) after notice in writing has been given by the Trustee to Cameco;
- (d) if Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary makes default in payment at maturity or in performance or observance of any covenant, term, agreement or condition of any Indebtedness singly or in the aggregate in an amount of 5% of Shareholder’s Equity which default results in an acceleration of such Indebtedness, subject to certain grace periods and waiver provisions set out in the Canadian Trust Indenture;
- (e) if an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary other than in the course of carrying out, or pursuant to, a transaction in respect of which the provisions of the article of the Canadian Trust Indenture relating to amalgamation or merger of Cameco are applicable and the conditions thereof are duly observed and performed or if Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary institutes proceedings to be adjudicated as bankrupt or insolvent, or consents to the institution of bankruptcy proceedings against it, or files a notice of intention to make a proposal, or a petition or answer or consent seeking reorganization or relief under the *Companies’ Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up or Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver, custodian, trustee, examiner, liquidator or the like of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary or of the undertaking or the assets of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted

Subsidiary or any part thereof which is, in the opinion of the Trustee, a substantial part thereof or makes a general assignment for the benefit of creditors, or admits in writing to its inability to pay the debts generally as they become due;

- (f) if a decree or order of a court having jurisdiction is entered adjudging Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or winding-up of Cameco, or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada) or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or processing execution against all, or any part thereof which is in the opinion of the Trustee a substantial part of the undertaking or assets of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary or appointing a receiver, custodian, trustee, examiner or liquidator or the like of the undertaking or assets of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary or any part thereof which is, in the opinion of the Trustee, a substantial part thereof or ordering the winding-up or liquidation of the affairs of Cameco, and any such decree or order continues unstayed and in effect for a period of 30 days; or
- (g) if an encumbrancer takes possession of the Property (other than Non-Recourse Properties) of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary or any part thereof which is, in the opinion of the Trustee, a substantial part of the Property of Cameco on a consolidated basis, or if any process of execution is levied or enforced upon or against the Property of Cameco or, except as part of a Permitted Subsidiary Transaction, any Restricted Subsidiary or any part thereof (other than Non-Recourse Properties) which is, in the opinion of the Trustee, a substantial part of the Property of Cameco on a consolidated basis and remains unsatisfied for such period as would permit any such Property to be sold thereunder, unless such process is in good faith disputed by Cameco, but in that event Cameco shall, if the Trustee so requires, give security which, in the discretion of the Trustee, is sufficient to pay in full the amount thereby claimed in case the claim is held to be valid.

Subject to the provisions of the Canadian Trust Indenture relating to the duties of the Trustee, the Trustee shall not be required to take any measures to enforce the Canadian Trust Indenture or any covenant contained in the Canadian Trust Indenture until furnished with funds for the purpose and indemnified to its reasonable satisfaction.

### **Waiver of Default**

The holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the outstanding debentures (including the holders of the Series G Debentures), will have the power to instruct the Trustee to waive any Event of Default or to cancel the declaration made by the Trustee or both, and the Trustee shall thereupon comply with such instructions. Notwithstanding the foregoing, if an Event of Default has occurred that is applicable only to a specific series of the outstanding debentures, then the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of such affected series of outstanding debentures shall be entitled to exercise such power and the Trustee shall so act and it will not be necessary to obtain a waiver from the holders of any other series of the outstanding debentures. In addition, the Trustee will have the power to waive any default if, in the Trustee's opinion, the default has been cured or adequate satisfaction (as determined by the Trustee) has been made therefor, and the Trustee will have the power to cancel any declaration therefore made.

### **Modification**

The rights of the holders of the Series G Debentures will be subject to modification. For that purpose, among others, the Canadian Trust Indenture contains provisions making binding upon all holders of the outstanding debentures (including the Series G Debentures) (a) Extraordinary Resolutions, or (b) instruments in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the outstanding debentures. “**Extraordinary Resolution**” means a resolution passed at a meeting of holders of the outstanding debentures (or applicable series thereof), duly convened for that purpose and held in accordance with the provisions of the Canadian Trust Indenture and carried by an affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes of all holders of the outstanding debentures (or applicable series thereof) present or represented by proxy and voting given on a poll.

## Successor Corporation

Cameco has agreed not to, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its Property to any other person, and shall not amalgamate or merge with or into any other corporation (other than a wholly-owned Subsidiary), (any such corporation being herein referred to as a “**Successor Corporation**”) unless:

- (a) the Successor Corporation: (i) is a corporation organized or existing under the laws of Canada or a province or territory thereof, and (ii) executes, prior to or contemporaneously with the consummation of such transaction, such indenture supplement and other instruments (if any) as are satisfactory to the Trustee and in the opinion of legal counsel necessary or advisable to evidence the assumption by the Successor Corporation of the liability for the due and punctual payment of the outstanding debentures and the interest thereon and all other moneys payable under the 1999 Trust Indenture and the covenant of such Successor Corporation to pay the same and its agreement to observe and perform all the covenants and obligations of Cameco under the 1999 Trust Indenture;
- (b) at the time of or immediately after the consummation of such transaction no condition or event shall exist which constitutes or which would, after the lapse of time or giving of notice or both, constitute an Event of Default under the 1999 Trust Indenture; and
- (c) such transaction is in the opinion of legal counsel upon such terms as substantially to preserve and not to impair any of the rights and powers of the Trustee or of the holders of the outstanding debentures in accordance with the terms of the 1999 Trust Indenture.

Upon any such amalgamation or merger in which Cameco is not the continuing corporation, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, Cameco.

## Supplemental Indentures

Cameco, when authorized by a resolution of the directors, and the Trustee may execute, acknowledge and deliver indenture supplements, for any one of or more of the following purposes:

- (a) providing for the issuance of additional debentures;
- (b) providing for additional covenants, enforcement provisions, release provisions, and other provisions as, in the opinion of counsel to the Trustee, are necessary for the protection of the holders of the outstanding debentures, or providing for additional events of default;
- (c) for hypothecating, mortgaging, pledging, charging, assigning or transferring to, or vesting in, the Trustee any of the Property then owned or thereafter acquired by Cameco;
- (d) adding additional covenants, enforcement provisions, release provisions and other provisions which are considered by Cameco to be necessary or desirable, provided that, in the opinion of legal counsel to the Trustee, the same are not materially prejudicial to the interests of the holders of the outstanding debentures;
- (e) making any modification of any of the provisions of the 1999 Trust Indenture or the outstanding debentures which is of a formal, minor or technical nature;
- (f) making any additions to, deletions from or alterations of the provisions of the 1999 Trust Indenture which in the opinion of the Trustee are not materially prejudicial to the interests of the holders of the outstanding debentures and which are necessary or advisable in order to incorporate, reflect or comply with any legislation the provisions of which apply to the 1999 Trust Indenture;
- (g) adding to or altering the provisions of the 1999 Trust Indenture in respect of the transfer of the outstanding debentures including provisions for the exchange of the outstanding debentures of different denominations and making any modifications in the form of the debentures which does not affect the substance thereof and which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of the outstanding debentures;
- (h) correcting or rectifying any ambiguities, defective provisions, errors or omissions in the 1999 Trust Indenture, provided that, in the opinion of the Trustee relying on the advice of counsel, the rights of the Trustee and the holders of the outstanding debentures are in no way prejudiced thereby;

- (i) evidencing the succession, or successive successions, of other corporations to Cameco and the covenants of and obligations assumed by any such successor in accordance with the provisions of the 1999 Trust Indenture;
- (j) giving effect to any Extraordinary Resolution; and
- (k) for any other purpose not inconsistent with the terms of the Canadian Trust Indenture or the outstanding debentures provided that, in the opinion of the Trustee, the rights of the Trustee and of the holders of the outstanding debentures are not materially prejudiced thereby.

### **Purchase of the Debentures**

Cameco will be entitled at any time and from time to time (so long as it is not in default under the Canadian Trust Indenture at such time) to purchase for cancellation all or any principal amount of the Series G Debentures in the market, by tender or by private contract at any price, subject to applicable law.

### **Governing Law**

The Canadian Trust Indenture and the Series G Debentures will be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

### **Trustee**

CIBC Mellon Trust Company at its principal office in the city of Toronto is the trustee for the holders of the Series G Debentures.

In the exercise of the powers, rights, duties and obligations prescribed or conferred by the terms of the Canadian Trust Indenture, the Canadian Trust Indenture provides that the Trustee shall act honestly and in good faith with a view to the best interests of the holders of the Series G Debentures, and shall exercise that degree of care, diligence and skill that a reasonably prudent corporate trustee would exercise in comparable circumstances.

### **Book-Entry System for Debentures**

The Series G Debentures will be issued in “book-entry only” form and must be purchased or transferred through a participant (“**Participant**”) in the depository service of CDS. On the closing date of this Offering, the Trustee will cause a global Series G Debenture (the “**Global Debenture**”) to be delivered to CDS and registered in the name of its nominee. Each of the Series G Debentures will be evidenced by a single book-entry only certificate. Registration of interests in and transfers of the Series G Debentures will be made only through the depository service of CDS.

Except as described below, a purchaser acquiring a beneficial interest in the Series G Debentures (a “**Beneficial Owner**”) will not be entitled to a certificate or other instrument from the Trustee or CDS evidencing that purchaser’s interest therein, and such purchase will not be shown on the records maintained by CDS, except through a Participant. Such purchaser will receive a confirmation of purchase from the Agents or other registered dealer from whom the Series G Debentures are purchased.

Neither Cameco nor the Agents will assume any responsibility or any liability for: (a) any aspect of the records relating to the beneficial ownership of the Series G Debentures held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Series G Debentures; or (c) any advice or representation made by or with respect to CDS and contained in this prospectus supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for the payment of the principal and interest on the Series G Debentures paid by or on behalf of Cameco to CDS.

As indirect holders of the Series G Debentures, investors should be aware that they (subject to the situations described below): (a) may not have the Series G Debentures registered in their name; (b) may not have physical certificates representing their interest in the Series G Debentures; (c) may not be able to sell the Series G Debentures to



institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge the Series G Debentures as security. Cameco's responsibility and liability in respect of notices or payments on the Series G Debentures is limited to giving notice or making payment on the Series G Debentures to CDS or its nominee. Holders of the Series G Debentures must rely on the procedures of CDS and its Participants to exercise any of their rights with respect to the Series G Debentures.

The Series G Debentures will be issued to Beneficial Owners in fully registered and certificate form (the "Definitive Debentures") only if: (a) CDS resigns or is removed from its responsibilities as depository and Cameco is unable or does not wish to locate a qualified successor; (b) if the book entry system ceases to exist; (c) Cameco determines that it wishes Definitive Debentures to replace the Global Debenture; (d) if required by applicable law; or (e) after the occurrence of an Event of Default, holders of the Series G Debentures representing beneficial interests aggregating over 50% of the outstanding principal amount of Series G Debentures determine that the continuation of the book-entry system is no longer in their best interests.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Trustee must notify CDS, for and on behalf of Participants and Beneficial Owners, of the availability through CDS of Definitive Debentures. Upon surrender by CDS of the Global Debenture representing the Series G Debentures and receipt of instructions from CDS for the new registrations, the Trustee will deliver Definitive Debentures representing the Series G Debentures, and thereafter Cameco will recognize the holders of such debenture certificates as the holders of the Series G Debentures under the Canadian Trust Indenture.

## **Payment**

Except in the case of payment on maturity, in which case payment may be made on surrender of the Global Debenture, payments of interest and principal on the Global Debenture will be made to CDS as registered holder of the Global Debenture. Interest payments on the Global Debenture will be made by cheque dated the date interest is payable and delivered to CDS two days before the date interest is payable. Payments of interest may also be made by electronic funds transferred to CDS at the option of Cameco. Principal payments on the Global Debenture will be made by cheque dated the applicable maturity date delivered to CDS at maturity, or by electronic transfer of funds to CDS, against receipt of the Global Debenture. As long as CDS is the registered holder of the Global Debenture, CDS will be considered the sole owner of the Global Debenture for the purpose of receiving payment on the Series G Debentures, and for all other purposes under the Canadian Trust Indenture and the applicable Series G Debentures.

Cameco expects that CDS, upon receipt of any payment of principal or interest in respect of the Global Debenture, will credit Participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Debenture as shown on the records of CDS, subject to any applicable withholding tax. Cameco also expects that payments of principal and interest by Participants to the owners of beneficial interests in the Global Debenture held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of Cameco and the Trustee in respect of the Series G Debentures represented by the Global Debenture is limited to making payment of any principal and interest due on the Global Debenture to CDS.

If the date for payment of any amount of principal or interest on any Series G Debentures is not a business day at the place of payment, then payment will be made on the next business day and the holder of the debenture will not be entitled to any further interest or other payment in respect of the delay. If Definitive Debentures are issued, interest will be paid by cheque drawn on Cameco and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal and the interest due, at maturity or on a redemption date, will be paid directly to CDS while the book-entry only system is in effect. If Definitive Debentures are issued, payment of principal and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Canadian Trust Indenture.

## **Transfers of the Debentures**

Transfers of ownership of the Series G Debentures represented by the Global Debenture will be effected through records maintained by CDS or its nominee for the Global Debenture (with respect to interests of Participants) and on



the records of Participants (with respect to interests of persons other than Participants). Beneficial Owners who are not Participants in the depository services of CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Global Debenture, may do so only through Participants in the depository service of CDS.

The ability of a Beneficial Owner of an interest in a Series G Debenture represented by the Global Debenture to pledge the Series G Debenture or otherwise take action with respect to such owner's interest in a Series G Debenture represented by the Global Debenture (other than through a Participant) may be limited due to the lack of a physical certificate.

The holder of a Definitive Debenture may transfer it upon payment of any taxes and transfer fees incidental thereto by executing a form of transfer and returning it along with the Definitive Debenture to either of the principal corporate trust office of the Trustee in the city of Toronto, or such other office as Cameco may, with the approval of the Trustee, designate, for issuance of one or more new Definitive Debentures in authorized denominations in the same aggregate principal amount registered in the name(s) of the transferee(s). The Trustee is not required to register any transfer of a Definitive Debenture within 10 Business Days immediately preceding any day fixed for payment of interest or principal.

### **Restriction on Reorganization**

The Canadian Trust Indenture provides that Cameco shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its Property to any other person and shall not amalgamate or merge with or into any other corporation (other than a wholly-owned subsidiary) unless the successor provisions of the Canadian Trust Indenture are complied with.

### **Other Definitions**

Certain terms are defined in the Canadian Trust Indenture substantially as follows:

“*Act*” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C44, as amended from time to time;

“*Blind River Refinery*” means the uranium conversion services facility for the production of UO<sub>3</sub> located at Blind River, Ontario;

“*Business Day*” means a day other than a Saturday or Sunday on which banks are open for business in Saskatoon, Saskatchewan;

“*Consolidated Subsidiary*” means, for any person, each Subsidiary of such person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or are required to have been) consolidated with the financial statements of such person in accordance with IFRS;

“*Cigar Lake Project*” means the development, construction and operation of an underground uranium mine located at Cigar Lake, Saskatchewan;

“*IFRS*” means International Financial Reporting Standards as issued by the International Accounting Standards Board from time to time, being the generally accepted accounting principles applicable to Canadian publicly accountable enterprises, as prescribed by the Canadian Institute of Chartered Accountants;

“*Government Authority*” means any nation or government, any province, state, municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

“*Indebtedness*” means in respect of any person, without duplication, all items of indebtedness of any such person created, issued or assumed for any amounts borrowed and all Purchase Money Obligations which, in accordance with IFRS, would be recorded in the financial statements of such person as at the date as of which Indebtedness is to be determined, and in any event including, to the extent not otherwise included:

- (a) obligations secured by any Lien existing on Property owned by such person subject to such Lien, whether or not the obligations secured thereby shall have been assumed; and
- (b) guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent liabilities of such person in respect of obligations of another person or indebtedness of that other person, but only to the extent so guaranteed, indemnified or endorsed,

excluding, however, with respect to Purchase Money Obligations, obligations of any person to pay trade accounts payable, payments in kind and accrued expenses incurred in the ordinary course of business, so long as the trade accounts payable and accrued expenses are payable within 180 days. In the case of Indebtedness of others secured by a Lien on the property of, but not assumed by, any person, the amount of such Indebtedness shall be limited to the lesser of (i) the amount thereof and (ii) the fair market value of the affected property;

“**Key Lake Mill**” means a uranium mill located at Key Lake, Saskatchewan;

“**Lien**” means any mortgage, lien, pledge, hypothecation, assignment, charge, security interest, royalty or encumbrance of any kind created, incurred or assumed in order to secure payment of Indebtedness. For purposes of the Canadian Trust Indenture, a Person shall be deemed to own subject to a Lien any Property that it holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement (other than an operating lease) relating to such Property;

“**McArthur River Project**” means the development, construction and operation of an underground uranium mine located at McArthur River, Saskatchewan;

“**Permitted Subsidiary Transaction**” means, in respect of any Subsidiary, any transaction of merger, consolidation, amalgamation or reorganization of such Subsidiary with Cameco or any Subsidiary or Subsidiaries (but not any other person) or any liquidation, winding-up or dissolution of such Subsidiary as part of any merger, consolidation, amalgamation or reorganization with Cameco or any Subsidiary or Subsidiaries (but not any other person) and any default in payment of, or non-payment of, or forgiveness in repayment of, any principal or interest on any Indebtedness of a Subsidiary to Cameco or to another Subsidiary, and shall include the taking of steps and actions and the enforcement of remedies in respect of Indebtedness of such Subsidiary and any security or agreements in respect thereof in connection with such merger, consolidation, amalgamation, reorganization, liquidation, winding-up or dissolution;

“**Person**” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or Government Authority or any agency or political subdivision thereof;

“**Port Hope Facility**” means a uranium conversion services facility for the production of UF<sub>6</sub> and UO<sub>2</sub> located at Port Hope, Ontario;

“**Principal Property**” means any current or future mineral property or mining right or manufacturing or processing plant, building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, in respect of the assets or investments of Cameco or any Subsidiary in any of the Blind River Refinery, the Cigar Lake Project, the Key Lake Mill, the McArthur River Project, the Port Hope Facility and the Rabbit Lake Mine and shall include the shares or other securities issued by any Restricted Subsidiary as well as any claims or rights of Cameco or any Restricted Subsidiary against any Restricted Subsidiary;

“**Property**” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible;

“**Rabbit Lake Mine**” means an underground uranium mine located at Rabbit Lake, Saskatchewan;

“**Restricted Subsidiary**” means any Subsidiary that owns or leases an interest in a Principal Property or invests in, lends money to, or otherwise owns or holds shares or other securities issued by, one or more Restricted Subsidiaries;

“**Shareholders’ Equity**” shall, with respect to Cameco and its Consolidated Subsidiaries, be determined in accordance with IFRS; and

“**Subsidiary**” means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned or controlled by Cameco.

## CREDIT RATINGS

The Company has received the ratings set out in the table below in respect of the Series G Debentures to be issued pursuant to this prospectus supplement, and the following trend and outlook indications.

<u>Rating Agency</u>	<u>Rating</u>	<u>Trend/Outlook</u>
DBRS .....	A (low)	Stable
S&P .....	BBB+	Negative

The rating organizations base the ratings on quantitative and qualitative considerations which are relevant for Cameco. These ratings are intended to give an indication of the risk that Cameco will not fulfill its obligations in a timely manner. Credit ratings may not reflect the potential impact of all risks on the value of the securities. These ratings are not recommendations to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

A definition of the categories of each rating has been obtained from the respective rating organization's website and is outlined below:

DBRS' credit ratings for long term debt range from AAA to D. Each rating category other than AAA and D is denoted by the subcategories "high" and "low". The absence of either a "high" or "low" designation indicates the rating is in the "middle" of the category.

The "A" rating is ranked third of ten rating categories. Long-term debt rated "A" is of good credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA, and may be vulnerable to future events, but qualifying negative factors are considered manageable.

DBRS uses "rating trends" for its ratings in the corporate sector. Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed. In general, the DBRS view is based primarily on an evaluation of the issuing entity, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates.

A Positive or Negative Trend is not an indication that a rating change is imminent. Rather, a Positive or Negative Trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a Stable Trend were assigned to the security.

DBRS assigns a rating trend for each security of an issuing entity and it is not unusual for securities of the same entity to have different trends. DBRS has assigned a Stable rating trend to the rating for the Series G Debentures.

S&P's long-term issue credit ratings range from a top rating of AAA, reflecting the strongest credit quality, to D for debt issuers that are actually in default and for issuers who did not meet their financial obligations or have declared that they cannot do so. The "BBB" rating is ranked fourth of ten rating categories. An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

The addition of pluses or minuses provides further distinctions within ratings ranging from AA to CCC.

A S&P's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. A Negative outlook means that a rating may be lowered whereas a Stable outlook means that a rating is not likely to change and a Positive outlook means that a rating may be raised. S&P's has assigned a Negative rating outlook to the rating for the Company.

## **EARNINGS COVERAGE RATIO**

The following consolidated earnings and cash flow coverage ratios have been calculated for the twelve month period ended December 31, 2013 and the twelve month period ended March 31, 2014 and are derived from audited financial information, in the case of the ratio for the twelve month period ended December 31, 2013, and unaudited financial information, in the case of the ratio for the twelve month period ended March 31, 2014. The following earnings coverage ratios: (a) give effect to the issuance of the Series G Debentures under this prospectus supplement as if the Series G Debentures had been issued at the beginning of the applicable period; (b) give effect to the application of the net proceeds to redeem the Series C Debentures as described under "Use of Proceeds", (c) do not give effect to

normal course advances, issuances and repayments, as the case may be, of long-term debt under the Company's revolving credit facilities or commercial paper program subsequent to December 31, 2013 or March 31, 2014, as applicable, since the adjustments would not materially affect the ratios; (d) do not purport to be indicative of earnings coverage ratios for any future periods; and (e) have been calculated based on International Financial Reporting Standards.

	<u>12 Months ended December 31, 2013</u>	<u>12 Months ended March 31, 2014</u>
Interest requirements (in thousands) . . . . .	\$79,958	\$78,337
Earnings attributable to equity holders before interest expense and taxes (in thousands) . . . . .	\$301,845	\$423,435
Consolidated earnings coverage on long term debt . . . . .	3.78 times	5.41 times

The following cash flow coverage ratios for the twelve month period ended December 31, 2013 and the twelve month period ended March 31, 2014 were calculated by dividing cash flow from operating activities by total interest and dividends.

	<u>12 Months ended December 31, 2013</u>	<u>12 Months ended March 31, 2014</u>
Cash flow coverage . . . . .	2.23 times	1.13 times

### **PLAN OF DISTRIBUTION**

Pursuant to an agency agreement dated as of June 16, 2014 (the “**Agency Agreement**”) between the Company and the Agents, the Agents have agreed to act as our agents to offer the Series G Debentures for sale to the public on a best efforts basis, if, as and when issued by us, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The Series G Debentures will be offered at a price of \$999.60 per \$1,000 principal amount of the Series G Debentures for total consideration of \$499,800,000. We have agreed to pay to the Agents a fee of \$4.00 per \$1,000 principal amount of Series G Debentures.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Series G Debentures offered under this prospectus supplement, the Agents will not be obligated to purchase any Series G Debentures which are not sold.

The Series G Debentures are being offered in each of the provinces and territories of Canada. The Series G Debentures have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States. In addition, until 40 days after the commencement of the Offering of the Series G Debentures, an offer or sale of the Series G Debentures within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

The Company has agreed to indemnify the Agents against certain liabilities under the applicable Canadian securities legislation, and to contribute to payments that the Agents may be required to make in respect thereof.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing will be held on June 24, 2014 or such other date as may be agreed upon by the Company and the Agents, but, in any event, not later than June 27, 2014.

**The Series G Debentures will not be listed on any securities exchange or quotation system and consequently, there is no market through which these securities may be sold and you may not be able to resell securities purchased under this prospectus supplement.**

The Agents may not, throughout the period of distribution under this prospectus supplement, bid for or purchase Series G Debentures. This restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in

for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include: (i) a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Authority of Canada, and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first mentioned exception, the Agents may effect transactions which stabilize or maintain the market price of the Series G Debentures offered at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Agents may make a market in the Series G Debentures, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any of the Series G Debentures will develop or as to the liquidity of any trading market for the Series G Debentures.

The Company has agreed that it will not, without the prior written consent of RBC Dominion Securities Inc., on behalf of the Agents, such consent not to be unreasonably withheld, from the date of the Agency Agreement and ending a period of 90 days from the closing of the Offering, issue, offer, pledge, sell, contract to sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer, lend or dispose of directly or indirectly, additional senior unsecured debentures of the Company.

All of the Agents are affiliates of Canadian chartered banks or other financial institutions that, among other lenders, are (as applicable) members of respective syndicates of lenders that have provided us with a \$1,250,000,000 unsecured revolving credit facility maturing in November 2018. Such banks or financial institutions (or other affiliates of the Agents) have also provided us with unsecured uncommitted or demand credit accommodations (including letters of credit) of various types totaling approximately \$915,000,000 and/or entered into currency swaps or other derivatives transactions with us. Consequently, we may be considered to be a “connected issuer” of each of the Agents under applicable securities laws. As at June 13, 2014, no indebtedness was outstanding under the credit facilities, although, as of such date, certain letters of credit were outstanding.

The Company is in compliance with the terms of, and the lenders have not waived any material breach of, the agreements governing the credit facilities, other credit accommodations and swap and other derivatives transactions referred to in the paragraph above since their respective dates of execution. The decision to distribute the Series G Debentures, including the determination of the terms of this Offering, has been made through negotiations between the Company and the Agents. The affiliated lenders, credit accommodation providers or swap or other derivatives providers of the Agents did not have any involvement in that decision or determination. The proceeds of the Offering will not be applied for the benefit of the Agents or their affiliates, other than as described herein.

## **RISK FACTORS**

An investment in the Series G Debentures involves certain risks. Before making an investment decision, you should carefully consider all of the information in this prospectus supplement and in the documents incorporated by reference herein and, in particular, should evaluate the risk factors below as well as those relating to the Company’s business and other conditions that may have a material impact on the financial condition and prospects of the Company referenced in this prospectus supplement, the Annual Information Form, the Company’s most recently filed annual management’s discussion and analysis as well as any risk factors discussed in any quarterly management’s discussion and analysis for the current year, and the other documents incorporated by reference herein. See “Documents Incorporated by Reference”.

### **Failure of an Active Trading Market for the Series G Debentures to Develop**

The Series G Debentures are a new issue of securities for which there is no trading market. The Company does not intend to list the Series G Debentures on any Canadian, U.S. or other securities exchange. This may affect the pricing of the Series G Debentures in the secondary market, the transparency and availability of the trading prices, the liquidity of the Series G Debentures and the extent of issuer regulation. No assurance can be given to you that an active trading market for the Series G Debentures will develop or be sustained. If an active market for the Series G Debentures fails to develop or be sustained, the price at which the Series G Debentures could be sold may be adversely affected and you may have difficulty selling all or a portion of your Series G Debentures. Whether or not the Series G Debentures will trade at lower prices depends on many factors, including the prevailing interest rates and the markets for similar securities, general economic conditions and the Company’s financial condition, historic financial performance and future prospects.



## **Credit Ratings Assigned to Series G Debentures may Change**

There cannot be any assurance that any credit rating assigned to the Series G Debentures issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Series G Debentures. In addition, real or anticipated changes in credit ratings can affect the cost at which the Company can access the debenture market.

## **Canadian Tax Reassessment**

The Company's income for the years 2003 through 2013 has been or is expected to be reassessed by CRA. While the Company believes it will be successful in disputing these reassessments, there is no assurance of this. In the event that the Company is not successful, and the outcome of our dispute results in significantly higher cash taxes, interest charges and penalties than the amount of our cumulative tax provision, this could have a material adverse effect on our liquidity, financial position, results of operations and cash flows. In such event, the ratings on the Series G Debentures may be adversely affected. See "Recent Developments."

## **The Series G Debentures are Unsecured Obligations and will be Effectively Subordinated to Creditors of our Subsidiaries.**

The likelihood that purchasers of the Series G Debentures will receive payments owing to them under the terms of the Series G Debentures will depend on the Company's financial condition and creditworthiness. In addition, the Series G Debentures are unsecured obligations of the Company.

The Company conducts its operations through a number of subsidiaries and to the extent any such subsidiary has or incurs indebtedness with a third party, the holders of the Series G Debentures will, subject to the negative pledge and limitation on restricted subsidiary borrowing (which are referenced under the heading "Description of the Debt Securities" in the base shelf prospectus), effectively be subordinated to the claims of the holders of such third party indebtedness, including in the event of liquidation or upon a realization of the assets of any such subsidiary.

## **Bankruptcy and Related Laws**

The Company is incorporated under the laws of Canada and a substantial portion of its assets are located in Canada.

The rights of the Trustee to enforce remedies are likely to be significantly impaired by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to the Company. For example, both the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) contain provisions enabling "an insolvent person" to obtain a stay of proceedings as against its creditors and others and to prepare and file a proposal for consideration by all or some of its creditors to be voted on by the various classes of its creditors. Such a restructuring proposal could include a compromise of amounts owing under the Series G Debentures and, if accepted by the requisite majorities of creditors and if approved by the court, would be binding on persons who might not otherwise be willing to accept it. Moreover, this "proposal" legislation permits, in certain circumstances, the insolvent debtor to retain possession and administration of its property, even though it may be in default under the applicable debt instrument. The powers of the court under the *Bankruptcy and Insolvency Act* (Canada) and particularly under the *Companies' Creditors Arrangement Act* (Canada) have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, it is impossible to predict if payments under the Series G Debentures would be made following commencement of or during such a proceeding, whether or when the Trustee could exercise its rights under the Canadian Trust Indenture or whether and to what extent holders of the Series G Debentures would be compensated for any delay in payments of principal and interest. Based on judicial authority, similar consequences may arise if the benefit of the arrangement provisions of the *Canada Business Corporations Act* is sought with respect to the Company.

## **Interest Rate Risks**

Prevailing interest rates will affect the market price or value of the Series G Debentures. Generally, the market price or value of the Series G Debentures will decline as prevailing interest rates for comparable debt instruments rise,



and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact borrowing costs of the Company which may adversely affect its creditworthiness.

### **Repurchase upon Change of Control Triggering Event**

In the event that the Company is required to offer to repurchase the Series G Debentures upon the occurrence of a Change of Control Triggering Event, it may not have sufficient funds to repurchase the Series G Debentures in cash at such time. In addition, the Company's ability to repurchase the Series G Debentures for cash may be limited by applicable law. If the Company is unable to repurchase the Series G Debentures upon the occurrence of a Change of Control Triggering Event, cross-default provisions in the Company's other debt instruments may be triggered resulting in events of default thereunder.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Osler, Hoskin & Harcourt LLP, legal counsel to the Company, and Borden Ladner Gervais LLP, legal counsel to the Agents, the Series G Debentures offered hereby, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) and the *Income Tax Regulations* (collectively, the "**Tax Act**") for trusts governed by a registered retirement savings plan ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan, a registered disability savings plan, a deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which any employer is the Company or an employer with whom the Company does not deal at arm's length (for purposes of the Tax Act)) and a tax-free savings account ("**TFSA**"). The Series G Debentures will not be a "prohibited investment" for a TFSA, RRSP or RRIF provided that, for purposes of the Tax Act, the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a significant interest (for purposes of the Tax Act) in the Company.

### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Osler, Hoskin & Harcourt LLP, legal counsel to the Company, and Borden Ladner Gervais LLP, legal counsel to the Agents, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Series G Debentures as a beneficial owner pursuant to this prospectus supplement and who, at all relevant times and for purposes of the Tax Act, is or is deemed to be a resident of Canada, holds the Series G Debentures as capital property and is not affiliated with and deals at arm's length with the Company (a "**Holder**"). Generally, the Series G Debentures will constitute capital property to a Holder provided the Holder does not hold the Series G Debentures in the course of carrying on a business and does not acquire them as part of an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Series G Debentures as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have the Series G Debentures, and all other "Canadian securities" as defined in the Tax Act, owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. Holders whose Series G Debentures might not otherwise be considered to be capital property should consult their own tax advisors concerning this election. This summary is not applicable to a Holder an interest in which would be a "tax shelter investment", a Holder to whom the "functional currency" reporting rules apply, a Holder that enters into, with respect to its Series G Debentures, a "derivative forward agreement", or, for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules), a Holder which is a "financial institution", each as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act, all specific proposals to amend the Tax Act (the "**Proposed Amendments**") publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative and assessing policies and practices of the Canada Revenue Agency. This summary assumes that the Proposed Amendments will be enacted as currently proposed, but there can be no assurance that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice, whether by judicial, governmental or legislative decision or action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

**This summary is of a general nature only and is not intended to be and should not be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Series G Debentures should consult their own tax advisers having regard to their own particular circumstances.**

### **Interest**

A Holder that is a corporation, partnership, unit trust or a trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Series G Debentures that accrues to such Holder to the end of that year or that becomes receivable or is received by it before the end of that year, to the extent that such interest was not included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual, will be required to include in computing its income for a taxation year any interest on the Series G Debentures that is received or receivable by such Holder in that year (depending on the method regularly followed by the Holder in computing income) to the extent that such interest was not included in computing the Holder's income for a preceding taxation year.

Any amount paid by the Company to a Holder as a penalty or bonus because of the repayment of all or part of the principal amount of a Series G Debenture before its maturity will be deemed to be received by the Holder as interest on the Series G Debentures at that time and will be required to be included in computing the Holder's income as described above, to the extent such amount can reasonably be considered to relate to, and does not exceed the value at the time of payment of, interest that, but for the repayment would have been paid or payable by the Company on the Series G Debentures for a taxation year of the Company after that time.

If settlement of the Offering occurs after June 24, 2014 and a Holder becomes entitled to accrued interest from June 24, 2014 to the date of settlement ("**pre-issue interest**"), then the amount of the pre-issue interest will be deductible to the Holder in the year in which it is included in computing the income of the Holder provided that it is reasonable to consider that the purchase price of the Series G Debentures paid by the Holder to the Company included an amount in respect of the pre-issue interest. The adjusted cost base of the Series G Debentures to the Holder will be reduced by the amount of the pre-issue interest which is so deductible.

### **Disposition**

On a disposition or a deemed disposition of a Series G Debenture (which will include a redemption, repurchase or repayment at maturity), a Holder generally will be required to include in computing its income for the taxation year in which the disposition occurs all interest that has accrued on the Series G Debenture to that time except to the extent that such interest has otherwise been included in the Holder's income for that year or a preceding taxation year.

In general, on a disposition or a deemed disposition of a Series G Debenture, a Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Holder's income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Series G Debenture to the Holder immediately before the disposition or deemed disposition.

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in computing such Holder's income for that taxation year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must be deducted from any taxable capital gains realized by the Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such years, subject to and in accordance with the provisions of the Tax Act.

## **LEGAL MATTERS**

Certain legal matters relating to this Offering of the Series G Debentures will be passed upon on behalf of the Company by Osler, Hoskin & Harcourt LLP and on behalf of the Agents by Borden Ladner Gervais LLP. At the date hereof, partners and associates of Osler, Hoskin & Harcourt LLP, as a group, and Borden Ladner Gervais LLP, as a group, each own beneficially, directly or indirectly, less than 1% of any outstanding class of securities of the Company.

## **AUDITORS**

The auditors of Cameco are KPMG LLP, 500, 475 — 2<sup>nd</sup> Avenue South, Saskatoon, Saskatchewan S7K 1P4.

## **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## CERTIFICATE OF THE COMPANY

Dated June 16, 2014

The short form base shelf prospectus, together with the documents incorporated in the short form base shelf prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the short form base shelf prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) Tim Gitzel  
President and Chief Executive Officer

(Signed) Grant Isaac  
Senior Vice-President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) John Clappison  
Director

(Signed) Neil McMillan  
Director

## CERTIFICATE OF THE AGENTS

Dated June 16, 2014

To the best of our knowledge, information and belief, the short form base shelf prospectus, together with the documents incorporated in the short form base shelf prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the short form base shelf prospectus and this supplement as required by the securities legislation in each of the provinces and territories of Canada.

RBC DOMINION SECURITIES INC.

TD SECURITIES INC.

(Signed) Patrick MacDonald

(Signed) Greg McDonald

BMO NESBITT  
BURNS INC.

CIBC WORLD  
MARKETS INC.

CITIGROUP  
GLOBAL MARKETS  
CANADA INC.

MERRILL LYNCH  
CANADA INC.

SCOTIA  
CAPITAL INC.

(Signed) Egizio Bianchini (Signed) Susan Rimmer (Signed) Grant Kernaghan (Signed) Jamie Hancock (Signed) James Gallant