



## **Cameco Corporation**

### **Fourth Quarter 2024 Conference Call**

### **Transcript**

**Date:** February 20, 2025

**Time:** 7:00 AM ET

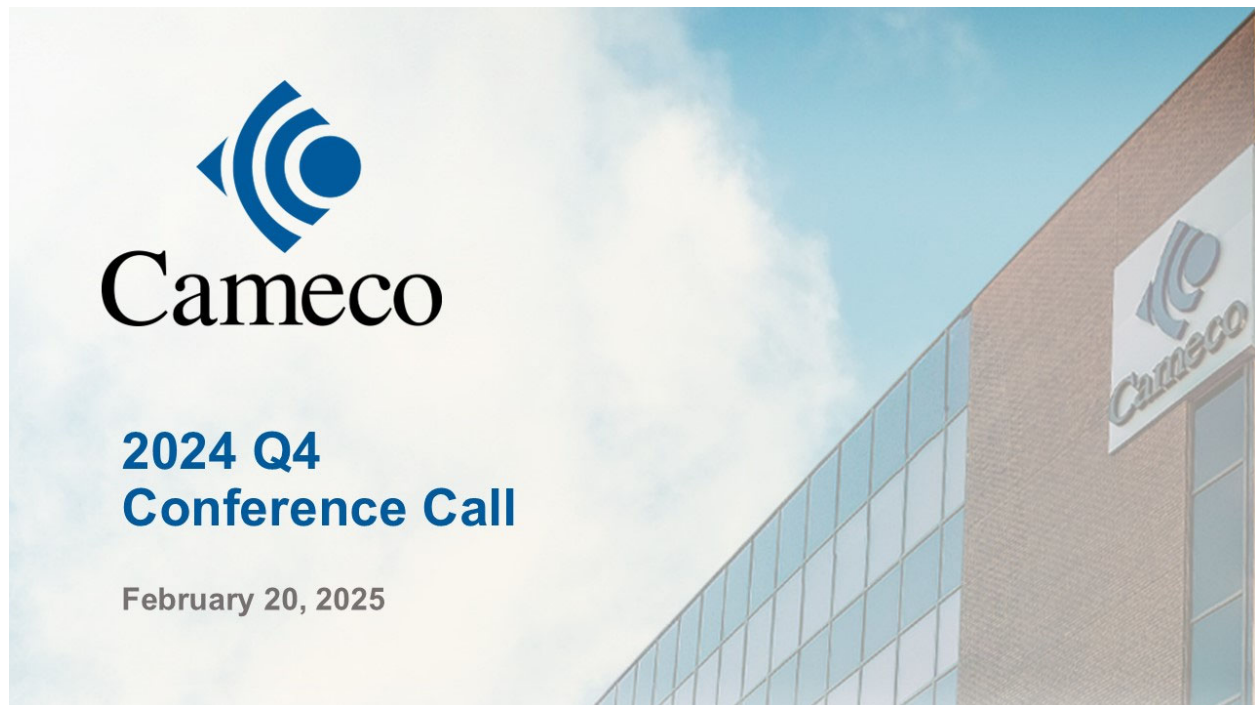
**Presenter:** **Cory Kos**  
Vice-President, Investor Relations

**Tim Gitzel**  
President and Chief Executive Officer

**Grant Isaac**  
Executive Vice-President and Chief Financial Officer

**Heidi Shockey**  
Senior Vice-President and Deputy Chief Financial Officer

**Rachelle Girard**  
Senior Vice-President and Chief Corporate Officer



**Operator:**

Welcome to the Cameco Corporation Fourth Quarter 2024 Results Conference Call.

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

Following the introductory remarks, there will be an opportunity to ask questions. To join the question queue, you may press star, then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star and zero. Webcast participants are asked to wait until the Q&A session begins before submitting their questions, as the information they are looking for may be provided during the presentation. The Q&A session will conclude at 9:00 a.m. Eastern Time.

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



**Cory Kos:**

Thank you, Operator, and good morning, everyone. Welcome to Cameco's Fourth Quarter and Annual Conference Call.

I would like to acknowledge that we are speaking from our corporate office, which is on Treaty 6 territory, the traditional territory of the Cree people and the homeland of the Métis.

With us today are Tim Gitzel, President and CEO; Grant Isaac, Executive VP and CFO; Heidi Shockey, Senior VP and Deputy CFO; and Rachelle Girard, Senior VP and Chief Corporate Officer.

I'll hand it over to Tim momentarily to briefly discuss the current market fundamentals, which we believe are stronger than they've been for decades, as well as our progress with the continued execution of our strategy, which, in 2024, saw us with strong marketing, operational and financial performance. After, we will open it up to your questions.

Today's call will be approximately one hour, concluding at 9:00 a.m. Eastern Time.

As always, our goal is to be open and transparent with our communication. However, we want to respect everyone's time and conclude the call on time. Therefore, should we not have time to get to your questions during this call, or if you would like to get into detailed financial modeling questions about our results, we would be happy to respond to any follow-up enquiries.

There are a few ways to contact us with additional questions. You can reach out to the contacts provided in our news release, you can submit a question through the Send Us a Message link on the Investors section of our website, or you can use the Ask a Question form at the bottom of the webcast screen, and we'll be happy to follow up after this call.

If you joined the conference call through our website Event page, there are slides available, which will be displayed during the call. In addition, for your reference, our quarterly investor handout is available for download in a PDF on our website at [cameco.com](http://cameco.com).



Today's conference call is open to all members of the investment community, including the media. During the Q&A session, please limit yourself to two questions and then return to the queue.

## Forward-Looking Information Caution

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

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

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

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

Please refer to our most recent Annual Information Form and MD&A for more information about the factors that and courses of action cause these different results and the assumptions we have made.

With that, I will hand it over to Tim.

## Strong Financial Performance

Targeted strategy to maintain exposure to improving pricing



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### Tim Gitzel:

Thank you, Cory, and good morning, everyone. We appreciate you joining us for today's call.

Earlier this morning, we released our fourth quarter and annual 2024 results, and, in a word, from both a quarterly and an annual perspective, those results were strong, and I'll touch on them shortly. We expect our strong performance to continue in 2025, supported by our long-term contract portfolio, our tier-one assets, and our strong financial position. The reason for our optimism is relatively simple: we continue see to supportive market conditions throughout the fuel cycle and across the nuclear sector.

## Favourable Fundamentals

Cameco strategically positioned



### Growing Demand Driven By

#### Global focus on:

- Energy security
- National security
- Electrification
- Decarbonization of energy intensive industries
- Infrastructure investments



### Uncertain Supply

- Geopolitical / trade policy risk
- Transportation issues
- Supply disruptions
- Underinvestment in existing and new capacity
- Decreasing secondary supply



### Cameco is Well-Positioned

- Long-term contract portfolio
- Operational flexibility
- Tier-one expansion capacity
- Idled tier-two capacity
- Project pipeline – exploration
- Invested across the fuel cycle and reactor life cycle
- Risk managed financial discipline

**Strategy captures full-cycle value**

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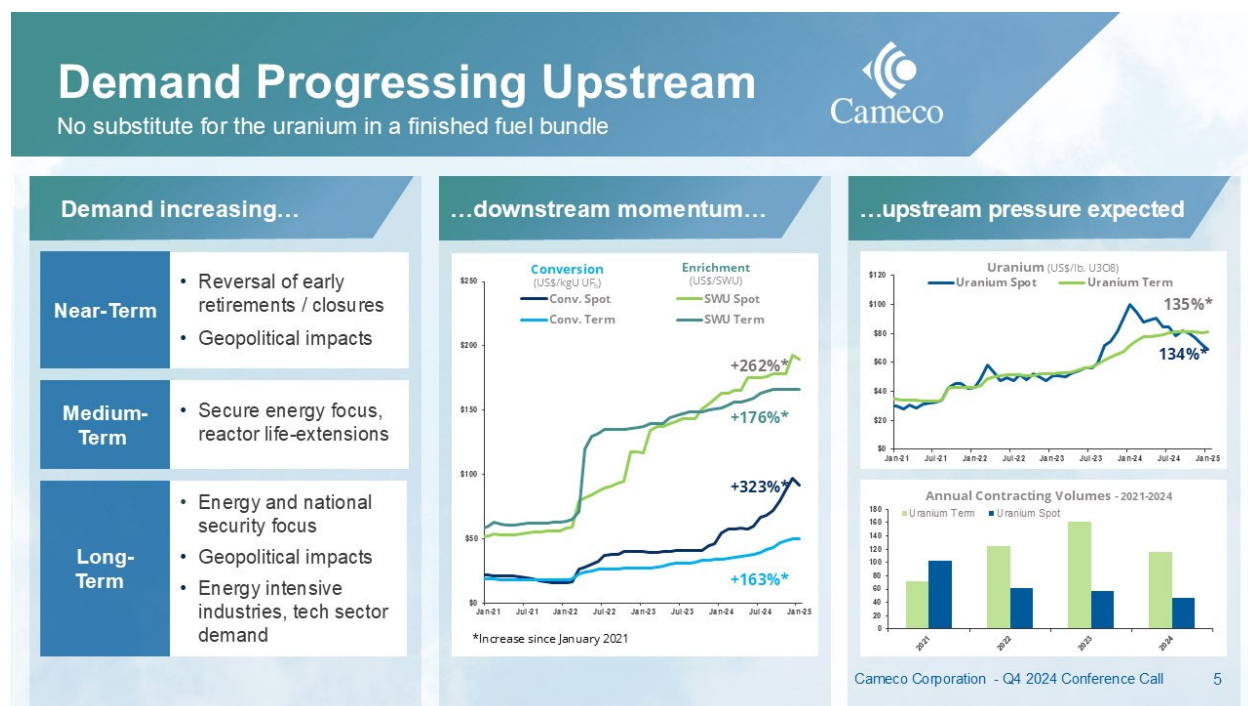
Those supportive tailwinds continue to improve the outlook for existing nuclear reactors, for the reactors returning to service after previously being slated for decommissioning, and for the nuclear new builds that are underway and those on the horizon. That positive outlook for the installed reactor base and for new growth is expected to benefit both Cameco, as well as our investment in Westinghouse. In fact, we believe the outlook for nuclear power and nuclear fuel fundamentals is more favourable than it has been for decades.

Global geopolitical uncertainty continues to bring energy security and national security into focus, alongside the need to ensure that energy is clean. As you've heard us say for over a year now, we believe that is putting nuclear into a durable growth mode. As we see that growth translate into demand and evolve into a cycle of replacement rate contracting, we, as a significant supplier of nuclear fuel and nuclear fuel cycle services, expect to have the ability to durably grow from our existing assets. Any additional supply will, therefore, have a home in our long-term contract portfolio, which does not expose us to a discretionary spot market, and provides upside potential and downside protection from geopolitical changes and trade policy decisions.



Positive market conditions that we expect to benefit our core uranium and fuel services businesses are also presenting significant future growth opportunities for Westinghouse, with continued interest in their technology and expertise for new build opportunities in nations, including Poland, Bulgaria, Ukraine and Slovenia, just to name a few.

We continue to believe that the risk to uranium and nuclear fuel supplies and services are far greater than the risk to that durable demand and the growth we see coming.



That belief is anchored in how we've seen the nuclear fuel market evolve over the past couple of years. Fuel buyers tend to work backwards across a fuel cycle, starting downstream and working their way up to the uranium.

In 2024, there was a lot of downstream focus, and with good reason. Whether it was the U.S. legislation to ban Russian enriched uranium imports or Russia reacting with an export restraint, a lot of attention remained on Western sources of fabrication, enrichment and conversion services. That makes sense for a global market that is diversifying away from the Russian fuel cycle, and even if those geopolitics were to change, the self-sanctioning by many Western utilities has



translated to long-term contracts that will now be in place for years to come. However, that downstream focus has also meant that there's been a persistent distraction from a focus on the natural uranium, the product to which those services are applied and for which there is no substitute.

When those downstream bottlenecks are resolved, utilities do not rely on the spot market for the uranium needed to meet their fuel requirements. A producer with an unhedged strategy that expects to see that kind of near-term demand to absorb their uncommitted supply does not spend much time at all buying and selling uranium. We have, and I can tell you the spot market is not where utilities go to meet their annual run rate requirements. It's completely discretionary and it's non-fundamental. Of the 46 million pounds of uranium that transacted in the spot market last year, only about 15% was bought by utilities.

As is the case every year, a great deal of the spot activity was churn, traders, brokers and financial players passing around 100,000 pounds five times, which becomes 500,000 pounds of reported volume. That's not a reliable source of supply for the more than 175 million pounds a year needed to fuel the global nuclear fleet annually, and that's not a source of supply that can underpin the long-term operation of a nuclear reactor for 60, or more, years. Instead, utilities are buying uranium, and the fuel cycle services in the long-term market years ahead of time, sometimes even for the decade to come, or longer.

Despite relatively muted long-term contracting volumes in 2024, which remained below 120 million pounds, well below the replacement rate contracting level, Cameco continued to successfully negotiate off-market contracts, selectively adding to our long-term portfolio.



## Ongoing Long-Term Contracting

Remaining selective to maintain exposure to incentive pricing



Average committed sales of  
**28 million lb. / year**  
for 2025-2029

Commitments span  
over a **decade**

Long-term contracts for  
**~220 million lb. U\***  
**~85 million KgU of UF<sub>6</sub>\***

\* At December 31, 2024



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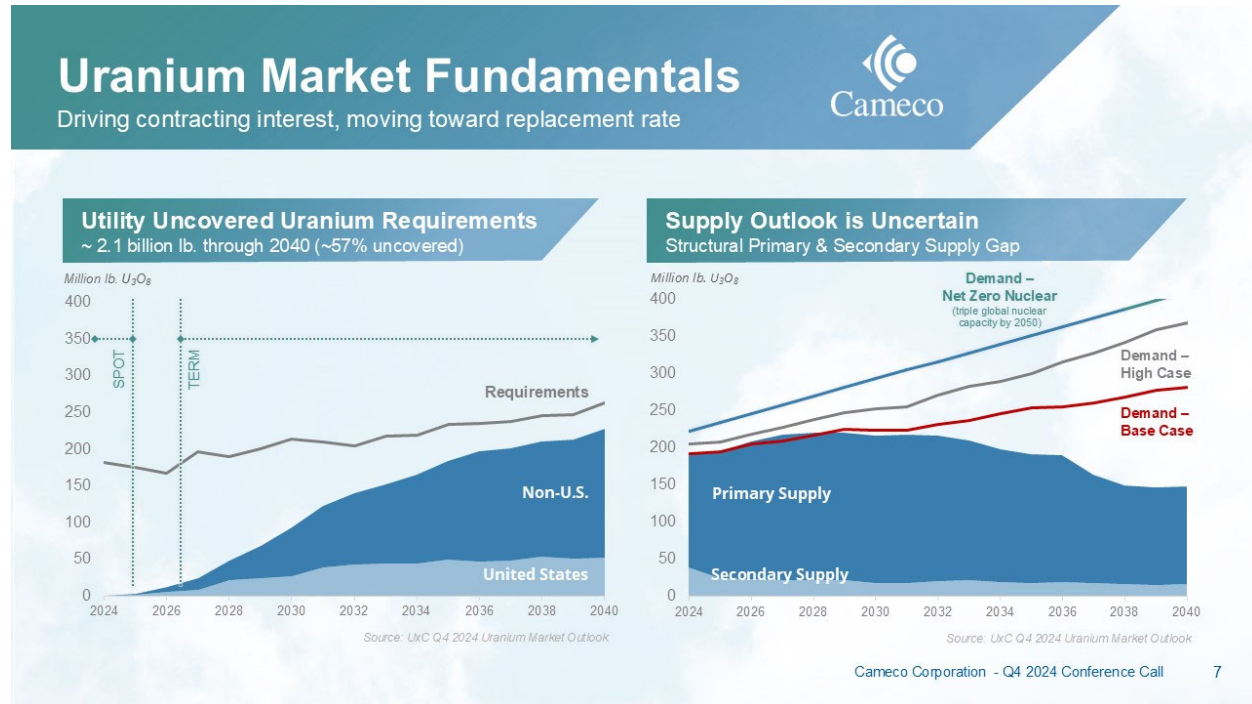
To start 2025, we have commitments to deliver an average of about 28 million pounds of uranium over the next five years, with commitment levels higher than average in 2025 through 2027, and lower than average in 2028 and 2029.

Our long-term book of business in the uranium segment now totals approximately 220 million pounds of uranium, with a large and growing pipeline under negotiation. The pounds we are adding have pricing terms that provide downside protection, while allowing us to retain exposure to improving demand. And at 220 million pounds, it only represents about a quarter of our current reserve and resource base; meaning, we can be strategically patient in our contracting as that demand forms.

We're already seeing demand in the conversion segment driving prices to historic levels. We also added to our fuel services long-term contract book last year, which now totals approximately 85 million ~~and 85 million~~ ~~supporting~~ supporting our fuel services operations for years to come. We expect the strength we are currently seeing in the other segments of the fuel cycle to continue moving upstream to uranium, because there is no way to avoid buying uranium for a nuclear fuel bundle.



We've heard the negative bearish views of those concerned about the pace of long-term contracting, but we don't share those concerns. In fact, the delay only serves to enhance our optimism.



That's because demand is being pushed into a shorter contracting window, where supply is tight and requirements are growing, and those requirements are only tied to high-confidence demand, such as the current operating reactor base and the 62 reactors under construction today. The industry growth story today does not rely on the blue-sky potential demand from jurisdictions that are only thinking about adding nuclear or from data centres in the tech sector or from the meaningful buildout of small, advanced reactors. Those potential developments only add to the positive outlook for nuclear energy, which is already strong.

Based on global fuel requirements, utilities have bought less than 40% of the uranium they need to operate through to 2040. That translates to about 2.1 billion pounds of uranium that is yet to be purchased, and it's putting an awful lot of pressure on supply in the mid-2030s, a time when several major global primary supply sources are thinning out and the investments in construction of new mines required to replace them have not even started. In fact, our own Cigar Lake mine is

expected to reach the end of its mine life in 2036. We plan our supply accordingly with our tier-two assets and a pipeline of potential future projects in mind, but Cigar Lake satisfies 10% of global demand. That's an 18 million pound hole in supply that the market has not yet fully appreciated, and bringing on new production of that scale is incredibly challenging. We continue to see exciting times ahead for us in the nuclear sector and we've positioned ourselves to benefit, while remaining protected should it not evolve as expected.

## Balanced and Disciplined Strategy

Contract portfolio informs supply decisions



### Strategically-aligned contracting discipline

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

### Operationally-flexible supply discipline

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



**Strategy Execution**

### Risk-managed financial discipline

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

### Leading Sustainability Performance



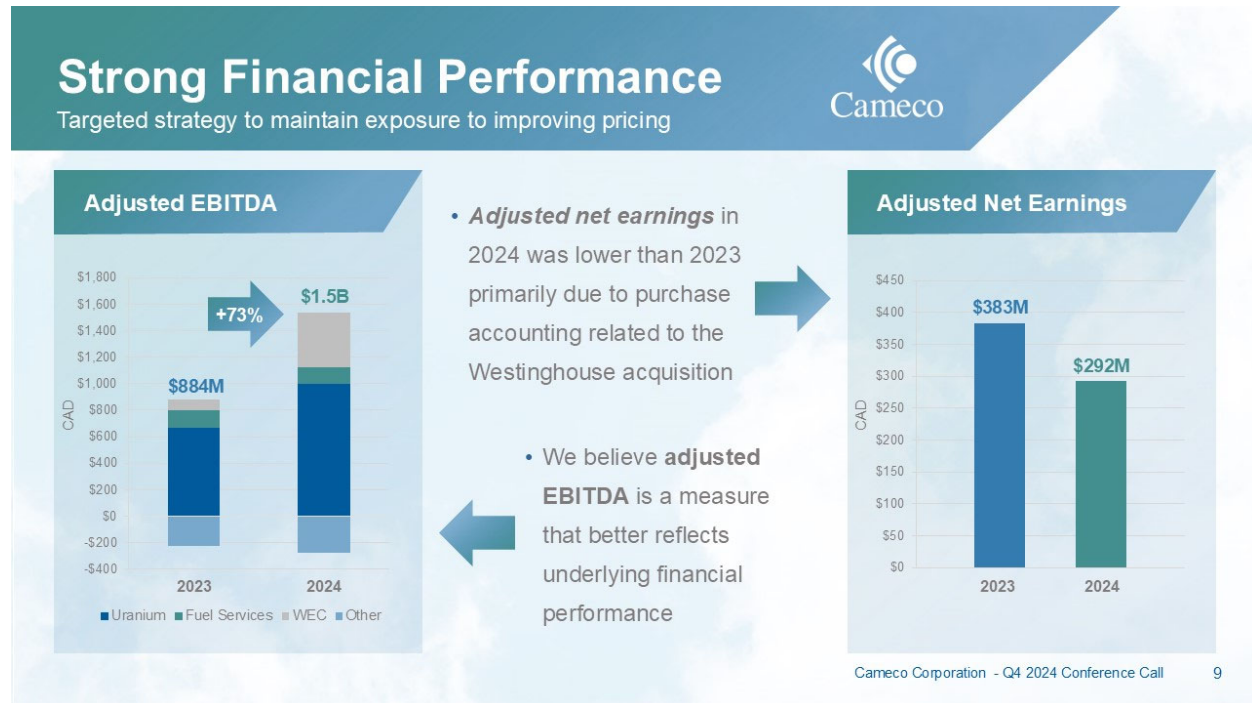
**100% of our product is used to produce reliable, carbon-free, base-load electricity**

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We have more than 35 years of experience operating across the fuel cycle and we've designed our strategy of full-cycle value capture to be resilient. We have good visibility into when and where we need to deliver material, allowing us to carefully plan and prudently invest in our existing and potential supply sources well into the future.

When we consider the supply tools and flexibility we have in place to work with our customers in satisfying their ongoing fuel requirements, we can be selective and opportunistic with our sourcing of supply, and we can be disciplined when considering future investments in our primary supply pipeline. We will continue to align our production with our contract portfolio and market opportunities, demonstrating that we are responsibly managing our supply in accordance with our

customers' needs. We'll also continue to look for opportunities to improve and operate our assets with more flexibility and efficiency, while working to improve our safety performance and reduce our impact on the environment. Our balance sheet is strong, and we expect it will enable us to self-manage risk, including risks related to global macroeconomic uncertainty and volatility, as well as uncertain trade policy decisions.



Looking briefly at 2024, our disciplined strategy has delivered a number of highlights worth noting. We delivered strong fourth quarter and annual net earnings and adjusted net earnings, which reflect a return to our tier-one production level, as well as higher sales volumes and improvement in average realized price. Those earnings incorporate the expected full year net loss from Westinghouse, which was primarily due to the impact of purchase accounting. We view adjusted EBITDA as a measure that better reflects Westinghouse's strong underlying performance, and Westinghouse's adjusted EBITDA was, indeed, very strong.

## 2024 Highlights

Strong performance, returning to tier-one production level



<b>Solid Q4 and Annual Results</b>	<ul style="list-style-type: none"> <li>• Reflecting return to tier-one production volumes</li> <li>• Impacted by purchase price accounting for Westinghouse</li> </ul>
<b>Strong segment performance, record production at Key/McArthur</b>	<ul style="list-style-type: none"> <li>• Uranium sales of 34 million lb, production of 23.4 million lb</li> <li>• 20.3 million lb. (100% basis) from MCA/KL sets world record for a uranium mill</li> </ul>
<b>Capturing historic highs in conversion pricing</b>	<ul style="list-style-type: none"> <li>• Delivered 12.1 million KgU under contract</li> <li>• Produced 13.5 million KgU, including 10.8 million KgU of UF<sub>6</sub></li> </ul>
<b>Maintained financial discipline</b>	<ul style="list-style-type: none"> <li>• Successfully refinanced \$500 million senior unsecured debentures with spreads better than our rating</li> <li>• Repaid \$600 million (US) term loan that was used to finance Westinghouse acquisition (final payment Jan 2025)</li> </ul>
<b>Increased annual dividend</b>	<ul style="list-style-type: none"> <li>• \$0.16 per common share in 2024</li> <li>• Recommended plan to increase to at least \$0.24 per common share over time</li> </ul>

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In our uranium segment, we delivered just under 34 million pounds of uranium in 2024 and produced about 23.4 million pounds. Production was slightly higher than our expectation as a result of very strong production from the McArthur River/Key Lake operation. In fact, the operation's 20.3 million packaged pounds last year sets both a new annual production record for the Key Lake mill, as well as a world record for annual production from any uranium mill. The increased run rate at the mill was made possible by our off-cycle investments in automation, digitization and optimization projects to improve the Key Lake mill during care and maintenance, supported by our access to stockpiled ore.

It's critical to remember that when you see higher tier-one primary production from Cameco, it has a home and does not flow into the spot market, as some like to speculate. The additional pounds are not only positive for our bottom line, but they have a home in our portfolio and merely serve to offset a draw from our other sources of supply, such as inventory, long-term purchases being pulled forward, or product loans. In addition, in 2024, the production flexibility from McArthur and Key offset lower production from our other tier-one sources.



Uranium production at Inkai continued to be impacted by the ongoing supply chain issues in Kazakhstan, most notably, related to the stability of sulfuric acid deliveries. As a result, total 2024 production from Inkai on a 100% basis was 7.8 million pounds, about 600,000 pounds lower than in 2023.

Cigar Lake also came up a bit short of its plan, due to some challenges earlier in the year at the McClean Lake mill.

## Production in 2025

Tier-one supply to match commitments, new phase of supply discipline

Operation	2025 (M lb, our share)	Licensed capacity (M lb, our share)	
<p><b>McArthur River/ Key Lake</b></p>	<b>12.6</b> <small>18 @ 100%</small>	<b>17.5</b> <small>25 @ 100%</small>	<p style="font-size: 1.5em; font-weight: bold; margin: 0;">32 M lbs</p> <p style="font-size: 0.8em; margin: 0;">(our share of tier-one licensed capacity)</p> <p style="font-size: 0.8em; margin: 0;">~56 M lbs @ 100%</p>
<p><b>Cigar Lake</b></p>	<b>9.8</b> <small>18 @ 100%</small>	<b>9.8</b> <small>18 @ 100%</small>	
<p><b>Inkai (JV Inkai purchase)</b></p>	<b>In Discussion</b>	<b>5.0</b> <small>10.4 @ 100% +20% subsoil</small>	
<p><b>Fuel Services</b></p>	Combined products <b>13 – 14M kgU</b>	UF <sub>6</sub> <b>12,500 tU</b>	

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In 2025, with the long-term contract book we've put in place, and an ongoing pipeline of both on- and off-market contracting discussions, our plan is to produce 18 million pounds on a 100% basis at each of McArthur River/Key Lake and Cigar Lake.

At Inkai, production plans for 2025, and subsequent years, remain uncertain, and we remain in discussions with JV Inkai and our partner, Kazatomprom, to determine our purchase allocation for 2025.



Over the coming years, we're undertaking capital projects to help ensure reliability and sustainability of our existing operations, including projects to address aging infrastructure and potential bottlenecks at Key Lake, and the advancement of freezing at McArthur River. While no decision has been made on changes to future production levels, we will continue to position ourselves for future production flexibility in alignment with our contract book, and if our contract book supports it, we expect to be in great shape to take advantage of that flexibility, thanks to our financial discipline.

## Strong Financial Position

Risk managed financial discipline

**Liquidity\*** \$600 Million Cash  
\$1 Billion Undrawn credit facility

**Total debt\*** ~\$1.3 Billion

**Credit ratings**  
S&P: BBB-  
DBRS: BBB

**Maintain strong balance sheet**

- With improving prices, a return to a tier-one cost structure and production levels, expecting strong cash flow generation in 2025
- Navigate by investment grade rating
- Take advantage of value-adding opportunities as they arise

**2025 Capital allocation priorities**

- Execute production plan and deliver from our tier-one assets
- Ensure reliability and sustainability of existing operations, and to replace aging infrastructure to maintain capacity at current production levels, while positioning for future production flexibility
- Improve operational effectiveness
- In January 2025, the final repayment of \$200 million (US) of the floating-rate term loan used to finance Westinghouse was paid. The term loan is now fully extinguished.

\* As at December 31, 2024

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Our balance sheet is strong, and we expect strong cash flow generation in 2025. We successfully refinanced \$500 million in unsecured debt in 2024, extending the maturity to 2031, and, of note, we did so with credit spreads that reflected a higher credit rating than we have currently been assigned. As of January 2025, we have also fully repaid the US\$600 million floating rate term loan that was used to finance the acquisition of Westinghouse.

## Subsequent to year-end 2024...

Several material developments to date in 2025



### JV Inkai

- Controlling shareholder unexpectedly directed JV Inkai to suspend production Jan 1, 2025, pending regulatory approval of an extension to submit updated project documentation
- The extension was approved; production resumed Jan 23, 2025
- Impact on 2025 production plans is being assessed

### US Tariffs

- Carefully monitoring, took proactive steps to minimize potential impacts
- If implemented on Canadian energy at 10%, we do not expect a material impact on our 2025 financial results

### Westinghouse

- Reached a resolution with KEPCO & KHNP on its technology and export dispute, established a framework for additional deployments with mutual and material benefits to all parties
- First distribution paid from Westinghouse - \$100 million (US) (\$49 million (US) our share)
- As of January, we have fully repaid the \$600 million (US) floating-rate term loan used to finance our acquisition of Westinghouse

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Although we're only about 50 days into the new year now, there are already a few key developments subsequent to 2024 year end that are worth highlighting.

To start off the year, at JV Inkai, production was halted on January 1 at the direction of Kazatomprom, the controlling partner in the JV, due to the delayed submission of certain regulatory documents to the Ministry of Energy. Production resumed on January 23, but we are still working with Kazatomprom and JV Inkai to determine the impact of the production suspension, as well as the continued issues with sulfuric acid supply on the operation's 2025 production plans.

Also, in January, Westinghouse reached a resolution in its technology and export dispute with KEPCO and KHNP, which establishes a framework for additional deployments, to the mutual and material benefit of all parties. We've now received our first distribution from Westinghouse; \$100 million US was paid out to the partners, of which our share was \$49 million US.

Before going to Q&A, a quick comment on the topic that's on everyone's mind as we approach March, the threat of U.S. tariffs on Canadian energy. It's been a focal point ever since the new





U.S. administration took office in January, and it's an area we are carefully monitoring. However, keep in mind that our industry faced a similar threat several years ago related to a Section 232 investigation in the U.S. related to critical minerals, including uranium.

In any cases where there's a change in policy that could potentially impact our operating environment, we manage risk and plan accordingly to optimize the value of our portfolio. In the past, we've taken actions, such as positioning material ahead of expected deliveries and revising our contract terms to protect us from unexpected future implementation of taxes or tariffs. The U.S. threatening the imposition of a 10% tariff on Canadian energy products, we have proactively taken some steps to minimize the potential impact. While we currently do not expect that a direct 10% tariff would have a material impact on Cameco's financial results in 2025, there continues to be uncertainty around the exact details of how any potential tariff may be applied.

With that, I'll stop there, and we are happy to take your questions.

The slide features the Cameco logo and name on the left, and the text "Q&A" in large blue letters on the right. Below the logo, it lists "Investor Relations" with contact information: an email icon for [investor\\_requests@cameco.com](mailto:investor_requests@cameco.com), a location icon for 2121 11<sup>th</sup> Street West, Saskatoon, Saskatchewan, and a globe icon for [cameco.com](http://cameco.com). At the bottom left, there are logos for "CCO LISTED TSX" and "CCJ LISTED NYSE" with a "25 YEARS" anniversary seal. The bottom right corner contains the text "Cameco Corporation - Q4 2024 Conference Call" and the page number "14". The background shows a brick building with a glass facade and a blue sky with clouds.



**Operator:**

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

The first question today comes from Adam Wijaya with Goldman Sachs. Please go ahead.

**Adam Wijaya:**

Good morning, Tim, Grant and team. Thank you for taking my questions. I wanted to first start on contracting activity. I know in 2024, we spent a lot of time on the year-over-year decline in reported contracting activity, but I wanted to get your updated views on what you're seeing in the term market right now more near and medium term. Are you seeing utilities and fuel buyers really step back into the market to secure longer contracts with more volumes, or do you think there's really anything keeping fuel buyers sidelined for now? Thanks.

**Tim Gitzel:**

Good morning, Adam, and thanks for the questions. It's Tim. I'm going to pass it over Dr. Grant Isaac for a response. Grant?

**Grant Isaac:**

Yes, thanks, Tim. Adam, great place to start. I think the first message I just want to emphasise is actually to me, the really telling story for 2024 was that, yes, term volumes were down year-over-year, 160 million in 2023, versus 120 million last year, but term prices were up quite a bit year-over-year. If that isn't a signal for the understanding that we're not at production economic pricing for future supply, I'm not sure what else that would signal. I mean, that seems to get lost a little bit in the noise as people are watching the spot market, but I think the term market is really an



area that we have to emphasize. Not at replacement rate yet, obviously, 120 million pounds contracted in 2024. As Tim pointed out, that means that the utilities need to buy a heck of a lot of material on a go-forward basis. You think about that demand, Adam, it's being pushed into a window where not only are you looking at the end of Cigar Lake, you're looking at very significant depletion curves in Kazakhstan. This just sounds super-constructive for pricing.

For us, it is about being patient in the uranium segment. We've got a lot of time devoted to conversion right now and to heavy water and light water fabrication, and all the opportunities for Westinghouse, and we can be a little bit patient with respect to waiting for the market to truly price in the challenge that's coming with respect to uranium.

When we look at the term market, I would say there is no doubt that across the industry there has been some downward pressure on not the term price of uranium, which, remember, really focuses on base-escalated, but a little bit of downward pressure on the floors across the industry. As the spot prices come down, folks have tried to pull the floor price down, but, interestingly, those ceiling prices have held. Floors across the industry were in the \$70, there's a bit of a push to try to get them down into the \$60 escalated, but we're still seeing those ceilings hold in mid-\$130s, maybe even a little bit higher, again reflecting that there's a cliff coming for uranium supply if we don't start sending stronger price signals now.

For Cameco, the final thing that I would say with respect to the term market is these are the kind of markets we step back. You see we have a big book. That book represents about a quarter of our future reserves and resources. For us to even begin to contemplate going after those additional pounds, we need to see stronger price formation. We've got good contract protection. When we see the spot market kind of pull down those longer-term market-related indicators, we simply step back, we're in position we can do that, and we focus our attention on the historic conversion price. The historic prices that are now starting to build downstream of uranium, we'll capture that value and we'll just be patient waiting for the term market to evolve. But, make no mistake, we're pretty excited about this dynamic and the way it's setting up for an incumbent producer, like us.



**Adam Wijaya:**

Got it, that's super-helpful, thanks, guys. Maybe switching gears over to Inkai, I understand that you're in discussion with Inkai and Kazatomprom to determine how the recent production suspension could impact the 2025 production levels and the subsequent purchases, but maybe can you just tell us how these conversations have trended thus far? Then, maybe more broadly, is there any fundamental change on how you guys are thinking about Cameco's relative position in Kazakhstan going forward? Thanks.

**Tim Gitzel:**

Yes, thanks, Adam. It's Tim. Listen, we've been working with the Kazakhs now for—I think it's 25 or 30 years. I think I went over there 30 years ago. Our relationship is still strong. They're good partners. Yes, we have some hiccups from time to time. We've had some asset hiccups. There's been some changes in personnel over there that we have to adapt to, and now this piece on January 1, that came as a surprise to us, I have to say, but we were on it right away. We did get a result by January 23; we're back in production. You know what, it's a long-term relationship. Our lease extends out to 2045 there. We intend to stay there and work with the Kazakhs. No change, really. We'll be meeting with them next week; Grant and I will be seeing them next week and spend some time with them. No change to our strategy at this point.

**Adam Wijaya:**

Thanks, Tim. Thanks, Grant.

**Tim Gitzel:**

Thanks, Adam.

**Operator:**

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

**Andrew Wong:**

Hey, good morning. I'd like to ask a few questions regarding AP1000 builds. When the Westinghouse deal closed, I think you provided a framework on the value capture of the new builds. Can you maybe just update us on that framework, if anything's changed. Then, regarding



the Westinghouse and KHNP, does the settlement open the door for future cooperation, does that open or widen the opportunity set, potentially, for new builds? Then, just lastly, if you can provide an update on some of the major AP1000 project milestones that we should be watching for the next 12 months or so. Thank you.

**Tim Gitzel:**

Yes, great questions, all of them, Andrew. I'd just say we're super-excited about our Westinghouse deal, and just the way it's behaved and operated in the first year and change that we've had our share of the ownership with Brookfield. The potential there is just outstanding, and then the results are strong, they're like we predicted. But Grant's on the Board at Westinghouse for us. Grant, do you maybe want to comment on those three pieces?

**Grant Isaac:**

Yes, Andrew, thanks for your questions. That's about three hours' worth of answers. I'll try to be super-brief about it. On AP1000s, no change, no fundamental change to kind of the value flow, the way we look at it. It's obviously about finding a utility—or, quite frankly, a non-utility user, we have to contemplate those models going forward now with the hyper-scalers looking at nuclear in a very, very significant way. But it begins with choosing the design. It then falls into a period of finalizing the engineering and the design of the technology to make it fit for purpose for the location.

If I use, for example, the Poland models, the first three reactors in Poland are going through this FEED 1 process to figure out how to properly deploy the technology at the chosen location in Poland. That then gives rise to the second FEED contract. That FEED contract, again, a lot of engineering and design work, also begins to trigger the final investment decision, and with that comes the procurement part of the nuclear island, which is a very important scope for Westinghouse. That then gives rise to the broader construction program, and, of course, Westinghouse doesn't participate in that broader construction program, another constructor would. Then ultimately, as that kind of seven-year process peaks and comes down, then you have an asset that's just been built to run for 80 years and now will be part of the core of Westinghouse, in terms of fuel fabrication and reactor services going forward.



Every AP1000 is a unique step-change in value for the energy system, and then it gets pulled into the core of the business. It's a model that we obviously are very, very attracted to. When you think about the AP1000 opportunities, we talked about the six reactors in Poland, there's the two in Bulgaria, Slovenia is looking at reactors, already running Westinghouse reactors. There's obviously opportunities in places like the U.K., perhaps Sweden. But, make no mistake, the DOE lift-off report was very, very clear of the role that AP1000—the only gigawatt-scale reactor out there, American design, technology is locked down, fuel cycle is locked down. It doesn't have regulatory risk; it doesn't have licensing risk. It's just big-project deployment risk. Four of the five boxes are already checked. The lift-off report from the DOE was very clear on the powerful role AP1000s can play in helping the U.S. achieve its tripling nuclear pledge, 200 gigawatts of additional nuclear power.

Those opportunities just continue to grow—and don't fall asleep on Canada. I think the announcements in Canada are really poised to deliver the benefits of nuclear quickly, rather than wait for a new design that doesn't yet exist. This is a deployable design, that somebody can go down to Georgia today and see one operating and see it performing at really industry-leading operational standards.

I'm going to bridge you over to the Korean deal. The Korean deal, more to come on this, but, really, it's taken Westinghouse and Team Korea and moved them from being competitors to potentially very powerful collaborators to provide solutions to countries that want energy security, they want the national security that comes from these 80-year assets of baseload, durable, hardened power, that only really nuclear can offer. Watch that space. It's now expanding Westinghouse's energy systems business into where the Koreans have a lot more access. United Arab Emirates, potentially considering two more reactors, and Czech Republic already choosing the Korean reactors, two-plus-two at Dukovany and the Temelin sites. They're very active in pursuing other markets, and now Westinghouse participates in all of that.

Andrew, really important to emphasize, all upside to the acquisition case. Everything I just described was not valued as part of the acquisition of Westinghouse. We're very excited at the



opportunity that's being created, we're very excited about Westinghouse's position with the leading technology, and we're very excited about the new models that are emerging that we can take full advantage of to really achieve the tripling nuclear pledge.

**Andrew Wong:**

Great, thank you for that. Maybe just switching over a little bit on to some of the Russian sanctions. There's been a lot of discussion on what might happen if there's a peace settlement. Obviously, we don't know how it'll all play out, but maybe you could just put on your hypothetical hat. How does lifting sanctions on Russia impact the uranium market? I'm also curious how your utility customers are thinking about this given some of these contracts are much longer dated and we don't really know how the Russia/Ukraine situation is going to play out even four-plus years from now. How does that impact your decision making?

**Tim Gitzel:**

Andrew, it's Tim. I'll start on this, at least. I'd say let's wait and see what happens. We haven't seen the sanctions being lifted yet. The U.S. has worked, I'd say, bipartisan, bicameral support to put in place all of those sanctions and all of the restrictions on Russian uranium and Russian LEU, that are still in place and are legislative prohibitions that would take a long time to move to the side.

Another point is, just letting Russia material flow into the U.S. runs completely counter to the new administration's goal of onshoring and energy dominance. They just established the National Energy Dominance Council, that's led by Secretary of Energy Chris Wright and energy czar Doug Burgum, that have clearly included nuclear and the nuclear fuel cycle in its plans to be that dominant player in the world.

Wait and see, we'll see what happens, but as Grant said earlier, our growth plan at Cameco doesn't depend on any of those things, just the pure supply and demand fundamentals in the market now will see us doing very well going forward.

Grant, I don't know if you want to add to that.



**Grant Isaac:**

I do. I want to just go back to risk is basically a function of likelihood and consequence, and I think Tim covered the likelihood piece really well. It is fair to ask if ending the Russian ban is consistent with U.S. energy dominance, and the answer is clearly no, it was quite the opposite. Russian fuel in the U.S. created energy dependence. It undermined energy and national security, and it undermined U.S. nuclear leadership. The facts are really clear, and it's hard to imagine—when the Energy Dominance Council was created, part of the objective was actually to become dependent on not an ally, but an adversary, a state-sponsored adversary. That doesn't really make sense.

On the ATU notion, or a new ATU, we just find this in the very slim chance category. Remember, Cameco was party to that agreement, we were part of the time and effort required to put an agreement in place, and I would just point out two things. One, that was a very long period of time that it took to put the agreement, so there's no quick solution. Secondly, the conditions that existed then in order to, essentially, for the West to take advantage of Russian nuclear materials and purpose them for the commercial market, those are not the conditions that exist today, from a real politic point of view or from an international relations point of view. On the likelihood side, we're seeing all of this rate really, really low.

You did ask about consequence. If Russian material showed up—let's face it, there have been significantly greater tailwinds for global nuclear, there's just simply more demand than there was before, so it's not like the Russian material doesn't have a home out in the future. We're talking about a very significant structural deficit. Uncovered requirements in uranium have continued to grow, and, quite frankly, the Russians are not a big uranium supplier, so it really doesn't change that dynamic at all. Primary supply has continued to face challenges and depletion, new capacity is not at replacement rate.

Then, the final piece from a consequence point of view, we didn't go into any markets to replace the Russians on a spot basis, or a short-term basis. We did it under long-term contracts, and we did it with utilities that had absorbed the switching costs to go to Cameco fuel, to go to





Westinghouse's fabrication, utilities that won't be eager to bear those switching costs again. There's a durability to what's been set up here, that it really insulates from a consequence point of view any impact.

We see likelihood low; we see consequence low. We're watching this space closely, but I think some of the narratives around the peace talks in the Ukraine—which, by the way, everybody hopes for peace—have been absolutely overblown with respect to the uranium and nuclear fuel segment.

**Andrew Wong:**

Okay, thank you very much.

**Tim Gitzel:**

Thanks, Andrew.

**Operator:**

The next question comes from Alexander Pearce with Bank of Montreal. Please go ahead.

**Alexander Pearce:**

Great. Good morning, all. Tim, you mentioned, obviously, some of the mitigating steps you're taking to try and reduce the impact from tariffs. I was wondering whether you can just talk about maybe some more opportunities you see within the portfolio. Also, does your existing contract book have terms already within those contracts that addresses potential tariffs, and who essentially pays for these, for whatever the tariff is? Thanks.

**Tim Gitzel:**

Yes, thanks a lot, Alex, for the question, it's a great question. We learned a lot of lessons, I think, after the 2017/2018 232 move on uranium—it was aluminum steel and uranium at the time. We managed to—we spent a lot of time, Grant and I, in Washington, D.C., and talking to the elected officials and the White House to just explain to them how much the U.S. needs Canadian uranium. I think we were successful; the DOE withdrew uranium from the 232. We're hoping for that result again this time. They're talking about a 10% tariff. We've taken other measures out of that.



We learned a lot of lessons there. I think Grant would tell you our contracting portfolio has added some new clauses in that regard since then. Any new contracts we sign since then would place any of those costs back on the customers. Buying the material, we're able to position material around the world in different jurisdictions, and pre-position material, we've certainly done that. Don't ever forget we have production resources in the U.S. at some point, that we're holding on care and maintenance right now, because they're just not where we want them to be, but certainly those are extremely valuable these days.

We think we can manage it, Alex. Grant and I were down in D.C. last week with some other commodity producers, where it's going to be a whole lot worse story if those things go through, but for us, we think it wouldn't be really financially material and that we could manage it.

**Grant Isaac:**

Yes, that final point, Alex, is really important. We're saying no material impact because of the contracting provisions we've taken, as well as what we've done in anticipation of tariffs. If they don't emerge, fine, no consequence on us at all, but I think what's lost in the tariff discussion a little bit is what the uranium market impact would ultimately be. It's not hard to figure out. It's kind of Econ 101 to figure out what the impact of tariffs are in this situation. Think about the uranium market. A 10% proposed tariff from a major supply source, like Canada, will effectively raise the uranium price by 10%.

Because, if you think about it, U.S. domestic demand is inelastic for contracted volumes. Domestic supply substitution is low. You would still need imports from tariff and non-tariff countries to meet the inelastic demand, and what does history tell us? History tells us non-tariff countries will simply increase their offer prices to just under 10%. This will be a structural increase in the price of uranium, because tariffs are very clearly a sales tax on imported goods. That sales tax will be ultimately passed on, and those who aren't subject to it will take advantage of it. Cameco is well mitigated. The market is just going to face more structural challenge, which will be price supportive.



**Alexander Pearce:**

Great, thanks, Grant. Then maybe if I can ask a second question, just around McArthur River production. Obviously, it is a touch lower this year, in terms of guidance, then it was last year. Is this a sign that it's going back to 18 million pounds indefinitely, or is that just part of—obviously, you've increased the CapEx, too, but is that just part of just getting on top of CapEx spend again, but we probably could see it back to be at 19 and beyond in '26.

**Tim Gitzel:**

Alex, I guess I'd start by saying we're still in supply discipline. No change to that. McArthur/Key had an exceptional year in 2024, all of the conditions were right, the mill ran very, very well, and we had some excess inventory of ore available to push through, and so we did that. I can tell you now we're back down to 18 at McArthur/Key, 18 at Cigar, and we will never produce a pound that doesn't have a home in one of our contract portfolios. That's our plan. You mentioned CapEx. We're going to invest, we always have, to just ensure the reliability and the sustainability of our assets, and that's what we're doing there now, there's some that need some fixing up, but we want to optimize our production. That's the story, there's nothing more. We're back to 18, 18, and we'll stay there until further notice.

**Alexander Pearce:**

Great, that's very clear. Thank you very much.

**Tim Gitzel:**

Thanks, Alex.

**Operator:**

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

**Orest Wowkodaw:**

Hi, good morning. I just wanted to delve in a little bit more on the tariff issue. I guess, if I understand correctly, you're saying your contract book is a mix of contracts, where some of the contracts, Cameco's responsible for a tariff, and then the other part is the customer importing the uranium or fuel would be responsible. Do I understand that correct?



**Grant Isaac:**

Yes, let me go into a little bit more detail, Orest. A tariff, which is a border tax, is paid by the party of import. What we recognized with the Section 232 investigation is that the assumption that North America is a free trade zone is probably over. Our neighbour to the south has discovered the hammer in the toolbox, which is tariffs, and we began to prepare for a future where they might use it, and good thing we did. We wrote a number of contracts that effectively move tariffs into the tax clause of a contract, right. If you think about cross border contracts, they're very clear, taxes in the seller country are the seller's responsibility and taxes in the buyer country are the buyer's responsibility. When we saw the Section 232 investigation, we learned a very powerful lesson, to be crystal clear that a tariff is a tax and a tariff in the buyer's country is the buyer's responsibility.

We have a bunch of older contracts, less than half of our U.S. deliveries, where we were still in a presumption of free trade, where we might not have been quite as clear. There would be, certainly, an interpretation, which we're not—hey, look, our goal is not to fight with our customers about what our old contracts said, but there would be a discussion around who's responsibility that border tax now is. But rather than sort of prepare for a big fight there, we just said, look, it's a highly integrated market, we can move material around and we can get it inside a tariff wall, if there is one, so we'll just go ahead and we'll do that now, so that there is no material impact on us. Then, going forward, as our older contracts roll off and our newer contracts become the bigger and bigger share of our deliveries, this just becomes less and less of an issue for us to deal with.

It's a common refrain you hear from us; we position ourselves for reward and we manage risk. This is a perfect example of how, on a forward-looking basis, we manage future uncertainty and future risk, and as a result, we're saying no material impact upon us.

**Tim Gitzel:**

Orest, let me add just a little bit of context that we use when down on the Hill talking to the legislators and in the White House, and everywhere else. The U.S., of course, has about 94 operating reactors that consume somewhere at 45 million pounds, maybe 46, 47, moving up to 50, a year. They consume 45 million to 50 million pounds a year. Production in the U.S. today is



less than one million pounds a year, they need imports, and they get to 27%, I think, or so from Canada. That's just some of the arguments and some of the facts we have to lay on the table when we're down there. That just gives you a bit of context for what we're talking about.

**Orest Wowkodaw:**

Thanks, and just a follow-up to that. Are you noticing any change of behaviour in terms of your U.S. utility customers as you talk about negotiating new contracts? Has this sort of proposed 10% tariff, is that impacting contracting activities at the moment, or is it irrelevant?

**Grant Isaac:**

I would say it's largely irrelevant at the moment, because it's a threat, it's not in place right now. I'll go back to the point that I made earlier, that the demand is inelastic, certainly, for the contracted volumes, the ones that are already committed to, that demand is absolutely inelastic. But our customers down there also realize that there's a very low domestic supply substitution, they still need to import a lot of material in order to meet their needs. Future contracts are really focused on incumbent producers with multiple sources of assets, a demonstrated history of risk managing, and providing lots of options for those utilities. We don't see any diminishment in our pipeline with respect to U.S. demand.

I could say, though, that with all of the demand opportunities in other markets, we are evaluating what the right diversification strategy is going forward if we constantly have a market that threatens these kind of trade actions versus markets that don't. This is the luxury of being diversified in our marketing portfolio, and this is also the luxury of having all of these new customers in Central and Eastern Europe that we never had before. It's a broader-based market recovery than it's ever been. I think the U.S. puts these threats out kind of at the peril to the security of their supply, which then goes back to my original point, this isn't very consistent with an energy dominance strategy.

**Orest Wowkodaw:**

Great, thank you very much.



**Tim Gitzel:**

Thanks, Orest.

**Operator:**

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

**Lawson Winder:**

Thank you, Operator, and good morning, Tim and Grant, nice to hear from you, and thank you both for the update. Can I maybe ask about the conversion market? There is this narrative about overfeeding on the enrichment piece and the fuel cycle being limited by a lack of conversion. I mean, there's no arguing the fact that conversion prices are at multiples of prior cycle highs right now. Should this not incentivize either further expansions at Port Hope or a restart of CCJ's 49% on Springfield's conversion facility?

**Tim Gitzel:**

Grant, do you want to take that?

**Grant Isaac:**

Yes, there's no doubt that there's a lot of pressure on the conversion market right now, and there's no mystery why it exists. After many, many years of utilities globally banging on the table and saying to Cameco and to ConverDyn and Orano that they will not pay \$15 a kgU in an \$8 kgU market. They succeeded, they're not paying \$15 a kgU, they're paying \$50 a kgU. If you let prices stay low for too long, they destroy their own supply, and, therefore, a violent correction has to occur. There's a very powerful analogue building in the uranium space on exactly this principle.

Now, what does it take, then, to restart? Remember, it isn't a price point, Lawson. This is really important to emphasize. What we require are two things from a term supply point of view.

Number one is clear market access rules, and especially now. You've heard a couple questions that have already hit this table about Russia. We need to make sure that this talk of Russia coming back into the Western market is only talk and it's not reality, because we know that Russian capacity for enrichment comes with the ability to convert, it's all an integrated system. We need



clarity on that, and we need to make sure the Russians aren't back in, because they were a big contributor to conversion prices that destroyed Western supply. We're looking for clear market access rules. Tim's been clear about that as he's been in Washington, and other places. We're not asking for money; we're asking for clarity on market access rules.

Then, number two, as we always say, it's not about price, it's about long-term contracts, and we would need to see utilities come to the table and commit for the type of long-term contracts that support the restart of facilities, and let me just draw a parallel.

A very exciting news announcement came out, Constellation working with Microsoft to restart Unit 1 at Three Mile Island, the Crane Clean Energy Center. What's really important about that is Constellation didn't decide to restart and spend US\$1.8 billion on spec, they did it because they had a 20-year contract with Microsoft. The same logic that a utility requires to bring back an idled reactor is the exact same logic a supplier requires to bring back supply.

It's not just about price, it's about the quality of the demand, and the quality of demand just hasn't been there yet, and the reason you know that is we haven't made any announcements. When we do make announcements, you know the quality of demand has already been through the market, because we never front-run demand with supply.

**Lawson Winder:**

Okay, those are very helpful comments. You made several comments, as well, on the call today on Westinghouse. I just wanted to follow up on the guidance there. First of all, is there any purchase accounting rules factoring into the EBITDA guidance for 2025, just in the context of the impact that those had in '24? Then, when you think about the 6% to 10% growth in EBITDA guidance for the next five years, what would it take to be at the 10% level versus the 6%, what's the differentiator between those ranges? Because, on a compounded five-year basis, that's actually a huge difference, if you're growing at 6% or 10%? Then, what about getting outside of that range, particularly on the higher end? Thanks.



**Tim Gitzel:**

Yes, thanks, Lawson. I'm going to ask Heidi maybe to tackle that first point that you made, and then Grant on the 6% to 10% going forward. Heidi, do you have any comments on the first part?

**Heidi Shockey:**

Sure. Hi, Lawson. In terms of the purchase accounting, there was really two parts that affected us in 2024. We had to mark the inventory to fair market value, so that was a big piece, probably the bigger piece that impacted us. The inventory has kind of worked its way through, so there's not a lot of inventory. If you look at the outlook table, there's just a small adjustment now for that. But we also had to recognize the purchase price across all of the assets, and so that resulted in higher depreciation and amortization, and that will continue on for a number of years. It's still impacting the results, which is a big reason why we have a net loss. There's a piece that's ongoing and a piece that's kind of 2024 only.

**Tim Gitzel:**

Thanks, Heidi. Grant, on the growth?

**Grant Isaac:**

Yes, and the way to look through that, Lawson, is we have that adjusted EBITDA number out there. We take that effect out, and that gives you a way to look at what the operational performance is there. We encourage you to do that.

On your second question, it's a good one, and it really does require a bit of explanation. We are, as everybody whose been following us for some time knows, we are very conservative in our forward disclosures. We require evidence-based triggers in order to go to, say, for example, higher growth rates in Westinghouse.

Let me give you an example on the 6% side. That really reflects the core of the business growing into new markets, like Eastern and Central Europe for fuel fabrication and reactor services, and it really reflects reactors being saved and reactors going through subsequent licence renewal.





There's some upside to the core. You began by asking about bringing back the natural conversion line at Springfield. If we did that, and if we brought back a RepU line at Springfield, that's upside to the core, that would take you beyond the 6% growth rate from the core alone.

When you drift over to the 10%, that's really starting to see the early days of the energy systems uptake, but, again, it's conservative. All that's in there right now is the front-end engineering and design work being done in places, like the first three reactors for Poland, or the first reactor in Bulgaria, the one of two. As those progress to final investment decisions, that will then trigger the guidance required for the broader scope around the nuclear island. It's just we don't get out in front, that decision hasn't been made, it would be wrong to include it in the growth. But you need to understand those decisions alone would be upside to the growth case, and now we have to add in the opportunities with the Korean collaboration. Now, keep your eye on every project the Koreans working on, like in Czechia, for example, or Units 5 and 6 in the United Arab Emirates, if those go ahead. That will add upside to the 10%.

We are conservative, we wait for those triggers to come, but when they do come, that is upside to the Westinghouse story. It really puts Westinghouse basically double the industry growth rate, as we see it, which we think is a very, very strong story, and beyond the underwriting cases, part of why we continue to be so excited about this acquisition.

**Lawson Winder:**

You haven't mentioned AP3100s or eVinci reactors in that 10%, so that would be beyond the 10%, as well.

**Grant Isaac:**

It would be beyond—it gets silly really fast, so I'm trying to keep it into sort of what is the basis for our conservative disclosures, but, again, that is all upside. If you see good news on eVinci reactors, if you see a utility working with Westinghouse on AP300, that is all upside to what I just talked about.



**Lawson Winder:**

Thank you very much.

**Tim Gitzel:**

Thank you, Lawson.

**Operator:**

We have time for one more question today. The last question comes from Craig Hutchison with TD Cowen. Please go ahead.

**Craig Hutchison:**

Hey, good morning, guys. Just on Westinghouse, it's good to see you guys got your first inaugural dividend. Have you guys established a formal return on capital strategy at Westinghouse, and if you have, can you give some kind of framework around what we can expect going forward?

**Grant Isaac:**

I will only give you a framework, because it's an evolving situation, but for the right reason. What I mean there is us and our partner, Brookfield, look at Westinghouse in the same way. That is Westinghouse brings forward a strategy and a business plan that fully funds its OpEx, fully funds its CapEx, fully funds its G&A expense, fully funds its debt obligation, and provides a dividend. It's not something where we intend to put money into, it's something where we intend to continue to get distributions out of. But I would say, for very good reasons, Westinghouse is enjoying all the tailwinds that Cameco is enjoying, and this is giving rise to opportunities to invest.

The previous question was about investing in a natural conversion line at a time when the conversion price is at historic levels. What we obviously do is we ask the question about does it make sense to leave money with Westinghouse for them to invest to capture some of these really good opportunities, or does it make sense to take it out of Westinghouse and deploy ourselves as owners. It's a live question, but it's a live question for absolutely the right reasons. Because, whether it's the core looking at LEU plus fuel or BWR fuel, or getting into the natural conversion business again, or the RepU business, or investing in more market development for AP1000s, or collaborating with the Koreans, those are all investment decisions, that really weren't part of the



conversation at the time of the acquisition. But they are for the right reason, because they're just going to make the future growth a multiple higher than what we underwrote as part of the acquisition.

That's the framework we look at. We expect a distribution, unless we can be absolutely convinced it makes sense to leave money with Westinghouse, but I have many things I want to do with that distribution, so it would have to be pretty darn convincing.

**Craig Hutchison:**

Okay, great, guys, and maybe just one quick follow-up. Just on the capital expenditures this year, obviously up quite a bit year-over-year. Is most of that just sustaining growth, sustaining capital story, or is any of that growth capital?

**Grant Isaac:**

I would look at it as revitalization for optimization. It's no surprise we're pretty bullish on the structural deficit that's coming to the uranium space, and we see a market that, quite frankly, has not priced in the end of Cigar Lake and it has not priced in the depletion in Kazakhstan, and a market that believes perfection is going to be achieved with some of these new projects that are at the feasibility stage and don't even have a licence and a permit yet, and that is all going to lead to stronger price discovery in our industry.

We're strategically patient, we're waiting for that demand to show up, but it feels like for us this is a time to prepare our assets for maximum exposure to those higher prices. This is a period where, just like we were countercyclical with respect to the digitization and automation spend, we want to be forward footed with respect to preparing our assets for when we need to call for more production because the demand has been there. Do it for better value and start deploying some of this capital and doing this work at a time when there aren't a lot of resources available in Northern Saskatchewan. I don't know what others who are going to do—who think they're going to bring projects forward. I don't know where they're going to find the skilled labourers and the contractors to deliver on their project when we're delivering on our revitalization and optimization projects. It's prudent, and it's based upon a fundamental view that's very supportive, but we haven't yet made a decision to grow, it's just about being prepared.



**Craig Hutchison:**

All right, great. Thanks, guys.

**Tim Gitzel:**

Thanks, Craig.

**Operator:**

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

**Tim Gitzel:**

Thank you very much, Operator, and thanks, everyone, on the call today. These are certainly busy, but exciting, times for Cameco. Cameco, as you know, is a responsible commercial supplier with long-lived tier-one assets and a proven operating track record. We're invested across the nuclear fuel cycle, and we believe we have the right strategy to help achieve a secure energy future in a manner that reflects our values. Embedded in all our decisions is a commitment to address the risks and opportunities that we believe will make our business sustainable over the long term.

Thanks again to everybody. Have a great day.

**Operator:**

This brings and end to today's conference call, you may now disconnect your lines. Thank you for participating, and have a pleasant day.