

**Cameco Corp.**  
CCO-T: C\$29.93

**NEUTRAL**  
Target: \$35.00

January 10, 2022

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## Kazakhstan Situation Still Evolving; A Look at What's Priced Into Cameco Shares

	Current
Rating:	NEUTRAL
Target:	C\$35.00
<b>Company Data</b>	
Last Price (TSX)	\$29.93
52-Week Range:	\$15.45 - \$35.47
Market Capitalization (C\$Mn):	11,911
Enterprise Value (C\$Mn):	11,692
Shares Outstanding - Diluted (Mn):	398
Dividend Yield:	0.3%
Cash:	1,215
Net Debt:	-219
Fiscal Year End:	Dec 31

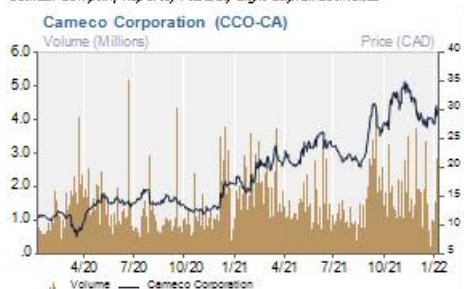
	2020 A	2021 E	2022 E	2023 E
Uranium (Mn lbs)	31	24	27	28
Fuel Services (mm kg U)	14	12	12	12
NUKEM (mm lbs)	1	1	1	1

	2020 A	2021 E	2022 E	2023 E
P/E	n.m.	n.m.	202.4x	136.5x
EV/EBITDA	107.8x	156.8x	40.9x	39.5x
CFPS	0.49	0.40	0.55	0.57
P/CF	60.7x	75.0x	54.4x	52.4x
Net Debt/ EBITDA	n/a	0.7x	n/a	n/a

	2020 A	2021 E	2022 E	2023 E
Q1	51 A	18 A	68 E	75 E
Q2	-4 A	2 A	75 E	75 E
Q3	-10 A	-14 A	53 E	65 E
Q4	71 A	70 E	93 E	84 E
FY	110 A	76 E	290 E	300 E

	2020 A	2021 E	2022 E	2023 E
Q1	0.07 A	-0.08 A	0.06 E	0.09 E
Q2	-0.16 A	-0.10 A	0.06 E	0.07 E
Q3	-0.20 A	-0.14 A	-0.01 E	0.04 E
Q4	0.12 A	0.03 E	0.04 E	0.02 E
FY	-0.17 A	-0.29 E	0.15 E	0.22 E

Note: All values are in C\$, unless otherwise stated  
Source: Company Reports, FactSet, Eight Capital Estimates



Source: Company Reports, FactSet, Eight Capital Estimates

### Company Description

Cameco is one of the world's largest uranium producers with mines in Canada, the U.S. and Kazakhstan, and is also a leading provider of nuclear fuel processing services and uranium trading.

We believe the uranium market could absorb a disciplined supply response by Cameco in the face of any prolonged Kazakhstan uncertainty over uranium supply and a renewed contracting cycle. Spot uranium prices rose 9.0% last week to US\$45.75/lb on political and socio-economic upheaval in Kazakhstan (the world's largest uranium producer at 41% of global mine production in 2020) and declaration of a state of emergency introduced throughout the country. KazAtomProm (KAP-LON, not rated) is taking measures to prevent destabilization at its uranium production sites, including enhanced security measures and a transition to remote-mode for its executive and administrative functions. As of January 7th, KAP's production facilities were operating normally; however, due to interruptions and partial suspension of railway traffic in some regions of the country, supply chain risks could result in production interruptions going forward.

Kazakhstan accounted for roughly one-fifth of uranium deliveries to the utility companies in both the US & EU in 2020. We have long held a view that perceived security of uranium supply can be a fragile distraction to nuclear fuel purchasing behavior ([link](#)) and while much of the focus is on Kazakhstan as the world's largest uranium producer, it's important to consider its relevance to Western utilities and the potential impact on term contracting as Kazakhstan represented approximately 10.8Mn lbs of purchases of uranium by US utilities in 2020 and 6.3Mn lbs of purchases by EU utilities - compared to Kazakhstan's uranium mine production of 50.6Mn lbs.

We believe Cameco would be open to a restart of idle capacity under the right market aligned price and contracting conditions. We estimate (based on historical production) that Cameco conservatively has approx. 24Mn lbs of annual North American uranium production capacity idle at: (1) McArthur River mine/Key Lake mill (18Mn lbs; licensed of up to 25Mn lbs); (2) Rabbit Lake mine/mill (4Mn lbs), Smith Ranch-Highland ISR (1.6Mn lbs), and Crow Butte ISR (0.750Mn lbs). Regarding a MacArthur River scenario, Cameco stated in its 2018 Technical Report that a restart would take 18-24 months. In our view, no decision appears imminent as we have not yet entered the window of pricing and contracting terms favorable to Cameco; however, we believe the inflection point for this conversation likely starts at uranium prices >US\$50/lb.

**Utility positioning.** We believe utilities began to take greater notice of contracting requirements as well as potential supply responses from uranium producers once the spot prices broke >US\$40/lb in Sept-2021. The big question to us is how a potential and prolonged disruption to Kazakhstan supply may affect uranium contracting. Most utilities are well covered in the near-term (0-3 years); but renewed market volatility and uncertainty will surely cause uranium buyers to re-evaluate procurement strategies with a desire to incentivize new and diverse supply from less-risky jurisdictions (Canada, US, Australia) through the return of idle capacity, brownfield mine expansion, and high-quality new projects. In our view, a sustained price >US\$50/lb represents the very low-end of incentive prices for greenfield capacity becoming economic on a risk-adjusted basis, assuming access to capital and successful offtake agreements on favorable terms.

Maintain NEUTRAL, TP \$35. We estimate Cameco shares are pricing in a US\$68/lb uranium price at 1x P/NAV and US\$56/lb at 1.2x P/NAV - which compares to the UxC LT price of US\$40.50/lb. Our TP of \$35 is based on 1.6x P/NAV (\$19.61/share) and is in-line with historical peak P/NAV during uranium "bull markets" of 1.6x. Our top picks for uranium exposure remain: (1) **NexGen Energy Ltd.** (NXE-T, BUY, TP: \$10.60, covered by Akin Akinwale) for exposure to one of the highest-grade mines with industry low operating costs in a tier 1 region in the Athabasca Basin. NXE is conducting regional exploration drilling to test high priority targets within a 10km radius of the Arrow deposit while simultaneously advancing the Rook I Project through final engineering and permitting; and (2) **Fission Uranium Corp.** (FCU-T, BUY, TP: \$2.00, covered by Akin Akinwale) for its ongoing exploration efforts aiming to upgrade the majority of the R840W Zone from Inferred to Indicated category to be incorporated in the resource model used for the feasibility study expected by Q2/22. The underground-only option contemplated in the PFS should streamline permitting for annual production of roughly 11.2Mn lbs/year.

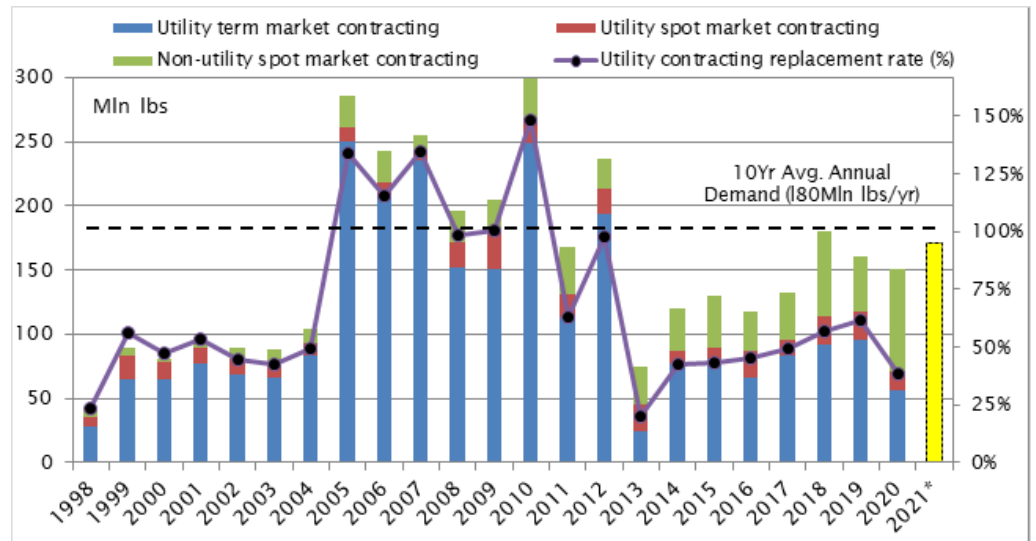
Please see Disclosures and Disclaimers at the end of this report.

**Security of supply can be a fragile distraction.** History has demonstrated a positive correlation between uranium buying behavior and prices. In general, rising prices and the perception of scarcity have coincided with an increase in contracting activity. Such was the case in 2006 and 2008 after Cameco’s Cigar Lake flooding incidents, as well as a substantial increase in uranium contracting by China coming out of the Global Financial Crisis in 2010.

Accelerated spot and term contracting during historical price runs has also tended to drive investment in higher-cost sources of production. Once these higher-cost sources of production come to market, we tend to see supply inelastic relative to price, creating the perception that uranium supply is abundant, which we think is still within the current mindset of utilities.

Uranium spot + term contracting volumes totaled 171.2Mln lbs in 2021, the best year since 2018; but replacement rates have remained <100% since 2013, which signals to us that utilities are getting increasingly eager to get in the queue when a new contracting cycle begins in earnest.

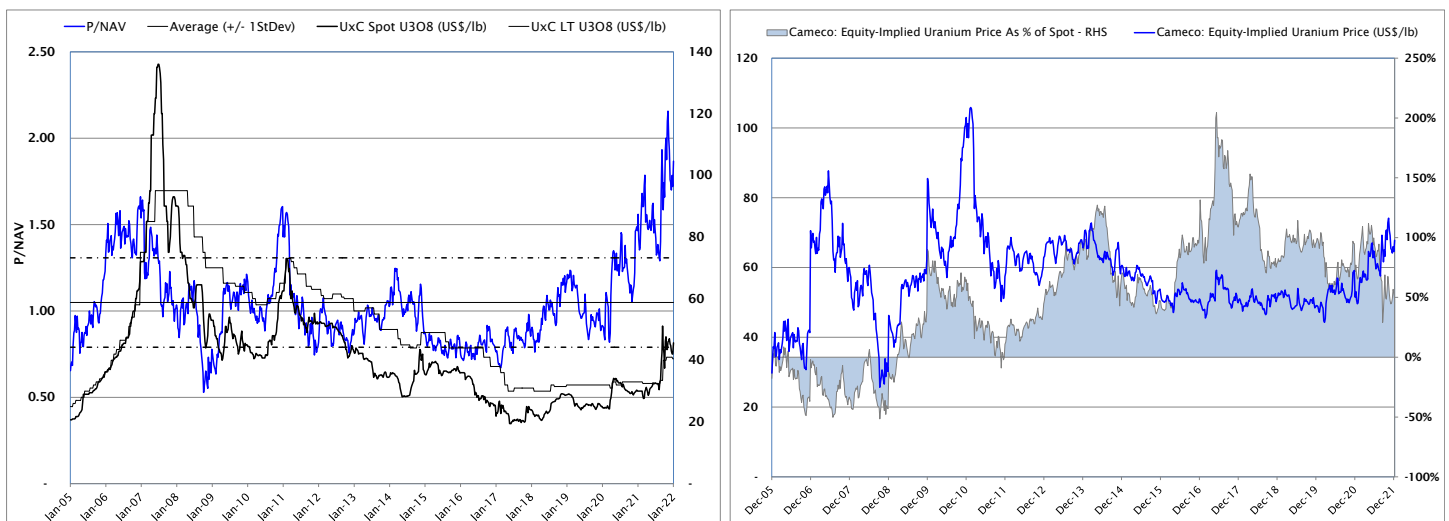
**Uranium Contracting Volumes**



Source: UxC LLC, Eight Capital estimates

Rising free cash flow potential on expectations of tightening uranium markets in the long-term, accretive uranium contract book, market leadership position (based on production, market share and reserves), high industry barriers to entry, and lack of investment alternatives have kept Cameco valuation at a premium. **We estimate Cameco shares are currently pricing in a \$68/lb uranium price at 1x P/NAV and \$56/lb at 1.2x P/NAV – which compares to the UxC LT price of \$40.50/lb.** Our 1x P/NAV equity implied uranium price represents a 49% premium to the current spot price compared to historical average (2005-2022) of 52%; and a 67% premium to the term price compared to the historical average of 22%.

**Cameco Historical Valuation: P/NAV (Left) and Equity-Implied Uranium Price (Right)**



Source: UxC LLC, Factset, Company data, Eight Capital estimates

**Cameco Historical Valuation Ranges (based on consensus estimates) by Uranium Period**

	Uranium price trend (US\$/lb per week)		Cameco Peak Multiples		Cameco Average Multiples		Average Equity Implied Uranium Price		
	Spot	LT	P/NAV	EV/EBITDA	P/NAV	EV/EBITDA	(US\$/lb)	vs. Spot	vs. LT
	Pre-Cigar Lake flood (pre Oct-06)	0.23	0.22	1.58	24.7	1.16	15.5	38.53	-10%
Peak Uranium (Oct-06 - Apr-08)	0.15	0.52	1.66	15.8	1.21	11.6	62.29	-29%	-28%
Financial Crisis-Inventory Liquidation (Apr-08 - Jul-10)	(0.20)	(0.27)	1.21	13.6	0.96	10.1	53.63	13%	-19%
Post-Financial Crisis/Pre-Fukushima (Jul-2010 - Mar-2011)	0.85	0.39	1.60	18.2	1.34	15.7	86.76	53%	35%
Post-Fukushima/Supply Response (Mar-2011 - July-2018)	(0.11)	(0.11)	1.25	17.1	0.90	10.6	58.61	86%	34%
Post-McArthur River Shutdown (Jul-2018 - Aug-2021)	0.04	0.00	1.79	60.5	1.18	24.6	52.52	83%	38%
Sprott Physical Uranium Trust ATM Offering (Aug-2021 - )	0.69	0.36	2.16	58.9	1.77	45.7	66.01	83%	42%
Current			1.87	46.4	1.87	46.4	67.79	49%	67%

Source: Factset, Company data, Eight Capital estimates

Cameco's financial position remains strong with Q3/21 cash & investments of \$1,215Mln, total debt of \$996Mln (no maturities until 2024+), and \$1,000Mln of undrawn RCF. As of Q3/21, Cameco has executed 20Mln lbs in long-term sales contracts bringing total commitments to deliver an average of 20Mln lbs/year from 2021-2025, with commitment levels higher in 2021-2022 vs. 2023-2025.

**Cameco 2026 FCF yield sensitivities, including McArthur River at full production**

2026 Normalized FCF yield (i.e. CFO less sustaining capital)		Total sales volume (Mln lbs)						
		24.0	26.0	28.0	30.0	32.0	34.0	36.0
Realized uranium price (US\$/lb)	100.00	10.9%	11.9%	12.9%	13.9%	14.9%	15.9%	16.9%
	90.00	9.4%	10.2%	11.0%	11.8%	12.7%	13.5%	14.3%
	80.00	7.8%	8.4%	9.1%	9.8%	10.4%	11.1%	11.7%
	70.00	6.2%	6.7%	7.2%	7.7%	8.2%	8.7%	9.2%
	60.00	4.6%	5.0%	5.3%	5.6%	5.9%	6.3%	6.6%
	50.00	3.1%	3.2%	3.4%	3.5%	3.7%	3.9%	4.0%
	40.00	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%	1.3%
	30.00	-0.4%	-0.9%	-1.4%	-1.9%	-2.4%	-2.9%	-3.4%

Source: Company data, Eight Capital estimates

**Cameco Net Asset Value Summary**

Net asset value summary		Discount rate		
		8%		
Operation	Ownership	NPV	(%)	NVP/share
McArthur River	69.8%	3,064	36%	7.70
Cigar Lake	50.0%	1,514	18%	3.80
Inkai (10%)	60.0%	1,490	17%	3.74
Rabbit Lake	100%	289	3%	0.73
Crow Butte	100%	31	0%	0.08
Smith Ranch/Highland	100%	203	2%	0.51
<b>Uranium Mining</b>		<b>6,591</b>	<b>77%</b>	<b>16.56</b>
Uranium Contract Book		179	2%	0.45
Fuel Services		630	7%	1.58
NUKEM		116	1%	0.29
Exploration & Development		1,073	12%	2.70
<b>Gross Asset Value</b>		<b>8,589</b>	<b>100%</b>	<b>21.58</b>
Long-term Debt		(996)		(2.50)
Working Capital		1,725		4.33
Net Debt		729		1.83
CRA tax remittance		281		0.71
Corporate SG&A		(755)		(1.90)
Reclamation liabilities		(1,038)		(2.61)
<b>Net Assets Value (C\$Mln)</b>		<b>7,805</b>		
<i>Shares outstanding</i>		<i>397.9</i>		
<b>Net Assets Value (C\$/share)</b>		<b>19.61</b>		

Source: UxC LLC, Factset, Company data, Eight Capital estimates

**Eight Capital Uranium Supply/Demand Model**

*all figures in Mln lbs U3O8, unless noted*

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Uranium Supply (Mln lbs)</b>														
Africa	20.7	22.9	22.5	22.0	20.9	20.5	21.0	22.0	21.3	20.8	22.0	24.5	25.5	21.5
Australia	15.2	16.6	17.1	16.0	11.7	13.0	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Canada	34.1	18.2	18.0	10.0	11.6	18.0	18.0	19.6	36.5	43.0	43.0	43.0	38.5	44.5
Kazakhstan	60.6	56.3	59.0	50.6	58.7	58.7	58.7	61.4	62.2	62.2	64.9	66.6	66.6	65.6
China	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.7	5.2	5.2	5.2	5.2	5.2
Russia	7.6	7.6	7.6	7.4	7.4	7.4	8.3	8.6	9.0	9.4	9.4	9.4	9.4	9.4
United States	2.5	1.5	0.2	0.2	0.0	0.1	0.2	1.7	3.1	3.1	3.1	3.1	4.2	5.5
Other Countries	12.1	12.9	13.2	12.9	13.1	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7
<b>Primary Supply</b>	<b>156.9</b>	<b>140.1</b>	<b>141.8</b>	<b>123.2</b>	<b>127.5</b>	<b>135.5</b>	<b>137.5</b>	<b>144.7</b>	<b>163.9</b>	<b>170.9</b>	<b>174.8</b>	<b>179.0</b>	<b>176.6</b>	<b>178.8</b>
<i>growth rate</i>	-4.5%	-10.7%	1.2%	-13.1%	3.4%	6.3%	1.5%	5.2%	13.3%	4.3%	2.3%	2.4%	-1.4%	1.3%
<b>Secondary supply</b>	<b>56.0</b>	<b>70.1</b>	<b>59.7</b>	<b>64.9</b>	<b>63.3</b>	<b>50.0</b>	<b>43.4</b>	<b>36.3</b>	<b>35.3</b>	<b>31.5</b>	<b>28.9</b>	<b>27.0</b>	<b>25.3</b>	<b>20.0</b>
<b>Total supply</b>	<b>212.9</b>	<b>210.2</b>	<b>201.4</b>	<b>188.2</b>	<b>190.8</b>	<b>185.5</b>	<b>180.9</b>	<b>181.0</b>	<b>199.2</b>	<b>202.4</b>	<b>203.7</b>	<b>206.0</b>	<b>201.8</b>	<b>198.8</b>
<i>growth rate</i>	0.7%	-1.3%	-4.2%	-6.6%	1.4%	-2.8%	-2.5%	0.0%	10.0%	1.6%	0.6%	1.1%	-2.0%	-1.5%
<b>World Nuclear Generating Capacity (GWe)</b>														
China	39.4	46.6	49.2	47.5	51.5	55.5	59.5	63.5	67.5	72.5	77.5	82.5	87.5	92.5
India	6.3	6.3	6.3	6.3	6.3	7.3	7.3	7.3	8.3	9.3	9.3	10.3	11.3	13.3
Japan	4.2	6.9	8.7	8.7	8.7	10.7	12.7	14.7	16.7	18.7	20.7	22.7	24.7	24.7
Russia	26.1	27.3	28.4	28.4	28.4	28.4	28.4	28.4	29.4	30.4	30.4	30.4	30.4	30.4
USA	100.0	99.3	98.2	98.2	98.2	99.4	99.4	99.4	100.7	100.7	100.7	100.7	100.7	101.9
Other	182.5	186.2	188.6	185.5	185.4	191.3	193.7	197.5	199.9	201.1	200.9	201.7	201.5	202.3
<b>Total</b>	<b>358.5</b>	<b>372.5</b>	<b>379.3</b>	<b>374.6</b>	<b>378.4</b>	<b>392.6</b>	<b>401.0</b>	<b>410.8</b>	<b>421.4</b>	<b>431.6</b>	<b>439.4</b>	<b>448.2</b>	<b>456.0</b>	<b>465.1</b>
<i>growth rate</i>	0.6%	3.9%	1.8%	-1.2%	1.0%	3.7%	2.1%	2.4%	2.6%	2.4%	1.8%	2.0%	1.7%	2.0%
<b>Uranium demand analysis</b>														
Primary uranium demand	158.4	164.3	165.3	163.9	164.3	170.1	173.5	177.4	181.6	185.7	188.7	192.1	195.1	198.6
Secondary uranium demand	34.8	36.5	25.2	20.6	37.0	25.0	15.0	15.0	13.0	10.0	8.0	5.0	5.0	5.0
<b>Total demand</b>	<b>193.2</b>	<b>200.8</b>	<b>190.5</b>	<b>184.5</b>	<b>201.3</b>	<b>195.1</b>	<b>188.5</b>	<b>192.4</b>	<b>194.6</b>	<b>195.7</b>	<b>196.7</b>	<b>197.1</b>	<b>200.1</b>	<b>203.6</b>
<i>growth rate</i>	-0.1%	3.9%	-5.2%	-3.1%	9.1%	-3.1%	-3.4%	2.1%	1.2%	0.5%	0.5%	0.2%	1.5%	1.7%
<b>Market surplus (deficit)</b>														
<b>Market surplus (deficit)</b>	<b>19.6</b>	<b>9.4</b>	<b>11.0</b>	<b>3.7</b>	<b>(10.5)</b>	<b>(9.6)</b>	<b>(7.5)</b>	<b>(11.4)</b>	<b>4.5</b>	<b>6.7</b>	<b>7.0</b>	<b>8.9</b>	<b>1.7</b>	<b>(4.8)</b>
<i>Surplus (deficit) as % of global demand</i>	10.2%	4.7%	5.8%	2.0%	-5.2%	-4.9%	-4.0%	-5.9%	2.3%	3.4%	3.6%	4.5%	0.9%	-2.4%
<b>Change in market surplus (deficit)</b>														
<b>Change in market surplus (deficit)</b>	<b>1.6</b>	<b>(10.3)</b>	<b>1.6</b>	<b>(7.3)</b>	<b>(14.2)</b>	<b>0.9</b>	<b>2.1</b>	<b>(3.9)</b>	<b>15.9</b>	<b>2.2</b>	<b>0.3</b>	<b>1.9</b>	<b>(7.1)</b>	<b>(6.5)</b>
<i>Net contribution - Primary mine supply</i>	(7.4)	(16.8)	1.7	(18.5)	4.2	8.1	2.0	7.1	19.2	7.0	3.9	4.2	(2.4)	2.3
<i>Net contribution - Secondary supply</i>	8.9	14.1	(10.4)	5.2	(1.6)	(13.3)	(6.6)	(7.1)	(1.1)	(3.8)	(2.6)	(1.9)	(1.7)	(5.3)
<i>Net contribution - Primary demand</i>	2.0	(5.9)	(0.9)	1.4	(0.4)	(5.8)	(3.3)	(3.9)	(4.3)	(4.1)	(3.0)	(3.4)	(3.0)	(3.5)
<i>Net contribution - Secondary demand</i>	(1.9)	(1.7)	11.3	4.6	(16.4)	12.0	10.0	-	2.0	3.0	2.0	3.0	-	-
<b>Uranium Price Forecast (US\$/lb) - Spot</b>	<b>22</b>	<b>25</b>	<b>26</b>	<b>30</b>	<b>36</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>60</b>

Source: UxC LLC, World Nuclear Association, Eight Capital estimates



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Industrial Metals

**Cameco Corp.**

Rating: NEUTRAL  
 Target price: C\$35

Price assumptions	2019	2020	2021	2022	2023	2024	2025
Uranium Spot (US\$/lb)	25.14	30.07	37.70	50.00	55.00	60.00	60.00
Uranium Term (US\$/lb)	31.88	34.50	38.06	45.00	55.00	60.00	60.00
Cameco Realized Price (US\$/lb)	32.81	33.25	34.91	45.73	55.00	60.00	60.00
US\$/CAD\$ (US\$)	0.741	0.727	0.796	0.800	0.800	0.800	0.800

Summary income statement (C\$Mln)	2019	2020	2021	2022	2023	2024	2025
Sales	1,863	1,800	1,451	1,915	2,337	2,595	2,670
Operating costs	1,346	1,485	1,265	1,447	1,789	1,847	1,304
DD&A	276	209	190	252	264	330	340
EBITDA	368	110	76	290	300	500	1,118
EBIT	92	(79)	(114)	37	35	170	778
EBT	90	(76)	(137)	(32)	(34)	122	743
Net income	74	(53)	(102)	59	87	225	695
EPS - FD	0.19	(0.13)	(0.26)	0.15	0.22	0.57	1.75
Adjusted EPS - FD	0.10	(0.17)	(0.29)	0.15	0.22	0.57	1.75
Shares outstanding - FD (Mln)	396	396	398	398	398	398	398

Summary cash flow statement (C\$Mln)	2019	2020	2021	2022	2023	2024	2025
Net income	74	(53)	(102)	59	87	225	695
Non-cash items	343	249	260	160	140	172	54
Working capital changes	113	(201)	341	73	-	-	-
Cash from operations	527	57	480	292	227	398	749
Net change in total debt	(500)	(2)	0	-	-	(500)	-
Net change in common equity	0	5	24	-	-	-	-
Dividends	(32)	(32)	(32)	(32)	(32)	(32)	(32)
Cash from financing activities	(607)	(98)	(31)	(32)	(32)	(532)	(32)

Property and equipment	(75)	(77)	(106)	(137)	(127)	(214)	(581)
Other investing activities	513	(24)	(42)	-	-	-	-
Cash from investing activities	437	(101)	(148)	(137)	(127)	(214)	(581)

Free cash flow	452	(21)	374	156	101	183	168
Net change in cash	358	(142)	301	124	69	(349)	136

Summary balance sheet (C\$Mln)	2019	2020	2021	2022	2023	2024	2025
Cash & equivalents	1,062	918	1,219	1,343	1,412	1,065	1,199
Total current assets	1,807	1,945	2,050	2,100	2,169	1,821	1,957
Fixed assets	3,721	3,772	3,560	3,444	3,306	3,190	3,431
Total assets	7,427	7,581	7,392	7,327	7,258	6,793	7,170

STD	-	-	-	-	-	-	-
Total current liabilities	277	304	325	325	325	325	325
LTD	997	996	996	996	996	496	496
Minority Interest	0	0	0	0	0	0	0
Shareholder equity	4,995	4,958	4,840	4,867	4,922	5,116	5,779
Total liabilities & equity	7,427	7,581	7,392	7,327	7,258	6,793	7,170

Valuation Analysis	2019	2020	2021	2022	2023	2024	2025
NAVPS	per share		19.61				
EPS	per share	0.10	(0.17)	(0.29)	0.15	0.22	0.57
CFPS	per share	1.05	0.49	0.40	0.55	0.57	1.00
P/NAV	(x)		1.53				
P/E	(x)	>100	n/a	n/a	>100	>100	52.9
P/CF	(x)	28.5	60.7	75.0	54.4	52.4	30.0
Enterprise Value	(Mln)	11,845	11,988	11,688	11,564	11,495	11,344
EV/EBITDA	(x)	32.2	107.8	156.8	40.9	39.5	23.7
FCF Yield	(%)	3.8%	-0.2%	3.2%	1.3%	0.9%	1.5%
P/BV	(x)	2.4	2.4	2.5	2.4	2.4	2.3

Profitability Metrics	2019	2020	2021	2022	2023	2024	2025
EBITDA Margin	(%)	19.8%	6.1%	5.2%	15.1%	12.8%	19.3%
Return on Equity	(%)	1.5%	-1.1%	-2.1%	1.2%	1.8%	4.5%
Return on Invested Capital	(%)	1.0%	-0.7%	-1.4%	0.8%	1.3%	3.5%

Balance Sheet Analysis	2019	2020	2021	2022	2023	2024	2025
Debt/Equity	(%)	20.0%	20.1%	20.6%	20.5%	20.2%	9.7%
Debt/Debt + Equity	(%)	13.4%	13.1%	13.5%	13.6%	13.7%	7.3%
Net Debt/Equity	(%)	-1.3%	1.6%	-4.6%	-7.1%	-8.4%	-11.1%
Net Debt/TTM EBITDA	(x)	n/a	0.7	n/a	n/a	n/a	n/a
Net Debt/NTM EBITDA	(x)	n/a	1.0	n/a	n/a	n/a	n/a
EBIT Interest Coverage	(x)	0.8	2.6	2.7	5.5	6.1	1.1

Attributable Production ('000 lbs)	2019	2020	2021	2022	2023	2024	2025
McArthur River (69.8%)	('000 bs)	-	0	-	-	2,181	16,142
Cigar Lake (50.0%)	('000 bs)	9,000	5,000	5,551	9,005	9,005	9,005
Inkai (40.0%)	('000 bs)	3,300	2,800	3,512	3,328	3,328	4,160
US ISR	('000 bs)	0	0	0	0	0	2,951
Total		12,300	7,800	9,063	12,333	12,333	16,088

Revenue by Segment	2019	2020	2021	2022	2023	2024	2025
Uranium Mining	(%)	76%	78%	73%	79%	82%	84%
Fuel Services	(%)	20%	21%	25%	17%	14%	12%
NUKEM	(%)	4%	1%	3%	4%	4%	4%
Other	(%)	0%	0%	0%	0%	0%	0%
Total		100%	100%	100%	100%	100%	100%

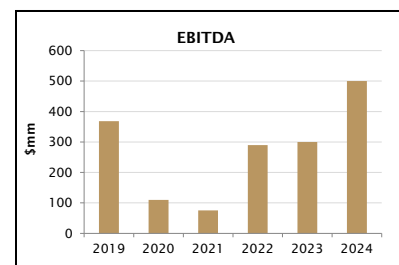
Cash Cost	2019	2020	2021	2022	2023	2024	2025
McArthur River	(C\$/lb)	15.37	15.28	15.28	15.91	15.99	16.09
Cigar Lake	(C\$/lb)	14.49	14.42	14.67	14.72	15.66	15.80
Inkai	(C\$/lb)						
Purchased Uranium	(C\$/lb)	26.11	29.08	33.23	44.64	51.41	56.08
Total	(C\$/lb)	15.73	16.28	16.69	15.72	16.66	19.45

Source: Eight Capital estimates, Company data

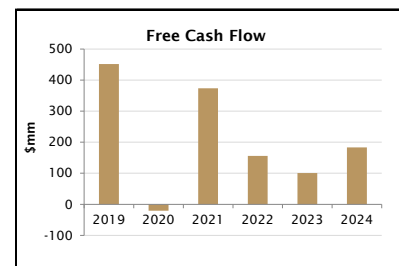
Industrial Metals	
Uranium CANADA	
Primary ticker	CCO-TSE
Price	29.93
Target price	35.00
Exchange rate (US\$/C\$)	0.79
Shares outstanding - FD (Mln)	397.9
Market Capitalization (C\$Mln)	11,911
Enterprise Value (C\$Mln)	11,692
Year end	Dec.31
Pricing currency	CADS
Accounting currency	CADS

Balance Sheet - (C\$Mln)	Current
Cash and cash equivalents	1,215
Net working capital	1,738
Net PP&E	3,565
Total assets	7,410
Short term debt	-
Long term debt	996
Total shareholders' equity	4,860
Total liabilities & shareholder equity	7,410
Shares outstanding (Mln)	398
Book value per share	12.21
Net debt/net debt + equity (%)	-3.7%

Net Asset Value Summary		
	C\$Mln	\$/share
McArthur River	3,064	7.70
Cigar Lake	1,514	3.80
Inkai (10%)	1,490	3.74
Rabbit Lake	289	0.73
Crow Butte	31	0.08
Smith Ranch/Highland	203	0.51
<b>Uranium Mining</b>	<b>6,591</b>	<b>16.56</b>
Uranium Contract Book	179	0.45
Fuel Services	630	1.58
NUKEM	116	0.29
Exploration & Development	1,073	2.70
<b>Gross Asset Value</b>	<b>8,589</b>	<b>21.58</b>
Long-term Debt	(996)	(2.50)
Working Capital	1,725	4.33
Net Debt	729	1.83
CRA tax remittance	281	0.71
Corporate SG&A	(755)	(1.90)
Reclamation liabilities	(1,038)	(2.61)
<b>Net asset value</b>	<b>7,805</b>	
Shares outstanding	398	
<b>Net asset value per share (C\$)</b>	<b>19.61</b>	



Source: Eight Capital estimates, Company data



Source: Eight Capital estimates, Company data

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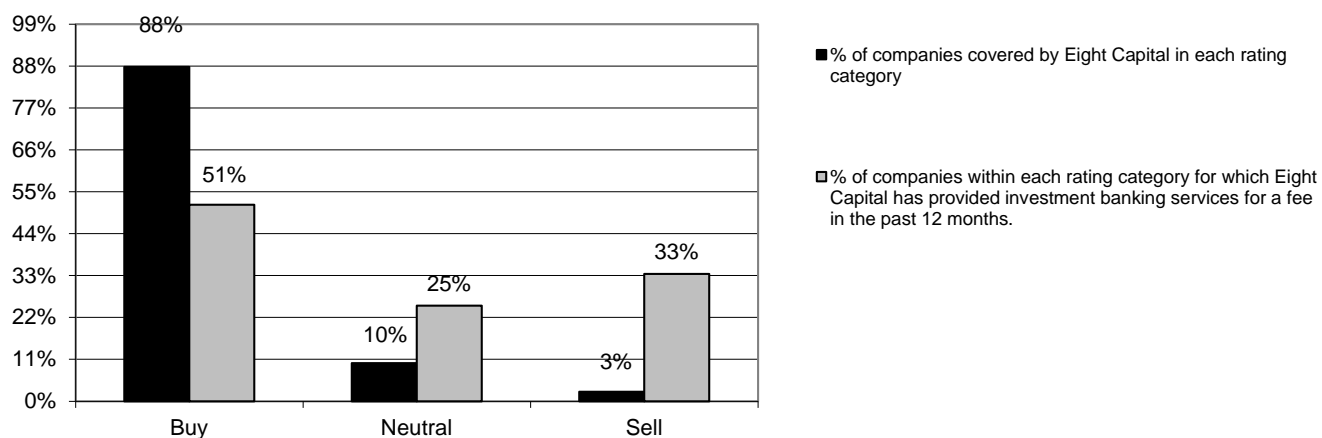
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