

true north

cameco in northern saskatchewan



Weak uranium prices lead to temporary suspension of production at McArthur River and Key Lake

Expected to last 10 months



Cameco

Major measures taken to stay viable



Message from the CEO



The uranium market is simply oversupplied. With no change expected on the immediate horizon, it does not make economic sense for Cameco to continue producing at McArthur River and Key Lake when we are holding a large inventory we can draw on.

We regret having to take this action because of the impact on our workforce and other stakeholders, but we have to assure the long-term health of our company. We aren't sustainable if we are not profitable.

The temporary suspension will be reviewed on an ongoing basis until inventory is sufficiently drawn down or market conditions improve. We expect it to last 10 months.

I recognize that this is a stressful time for everyone and ask for patience from all of you as we work through this process. Most importantly, I ask you to stay focused on working safely.

Tim Gitzel, Cameco President and CEO



What happened?

On November 8, 2017 Cameco announced it was temporarily suspending production at McArthur River and Key Lake by the end of January.



40 cents

Cameco's dividend to shareholders will be reduced to \$0.08 cents per year, down from \$0.40 cents.



560 employees

285 contractors

560 employees and 285 contractors will be affected by the temporary layoff.



160 workers

50 contractors

210 workers are needed to maintain both operations in a safe shutdown state during the suspension.



10 months

This temporary layoff is expected to last 10 months.



Why?

Cameco had anticipated things would get better sooner, but that didn't happen.

The company now needs to position itself to operate profitably at current market prices.

The continued state of oversupply in the uranium market with no sign of change in the immediate future meant action had to be taken. During these 10 months Cameco will draw on the large inventory it's been holding onto.



What's next?



75%
EI benefits
top up

Cameco will top up EI benefits and provide some group benefits for its employees affected by the temporary layoff.



**Mid
December**

Employees can expect to be notified of their individual circumstances by mid-December.



Safety first

Cameco remains committed to safety. All safety, radiation and environment programs and performance will be maintained during suspension and the company will continue to comply with all licences and continue reclamation activities.



Roughly 90 employees will be needed to maintain Key Lake in a safe shutdown state during the temporary suspension.



The numbers



70%

drop in uranium
prices since 2011



125%

reduction in net
earnings since 2012



Prior cost reductions:

10% northern operations
20% corporate office
70% exploration
50% community investment

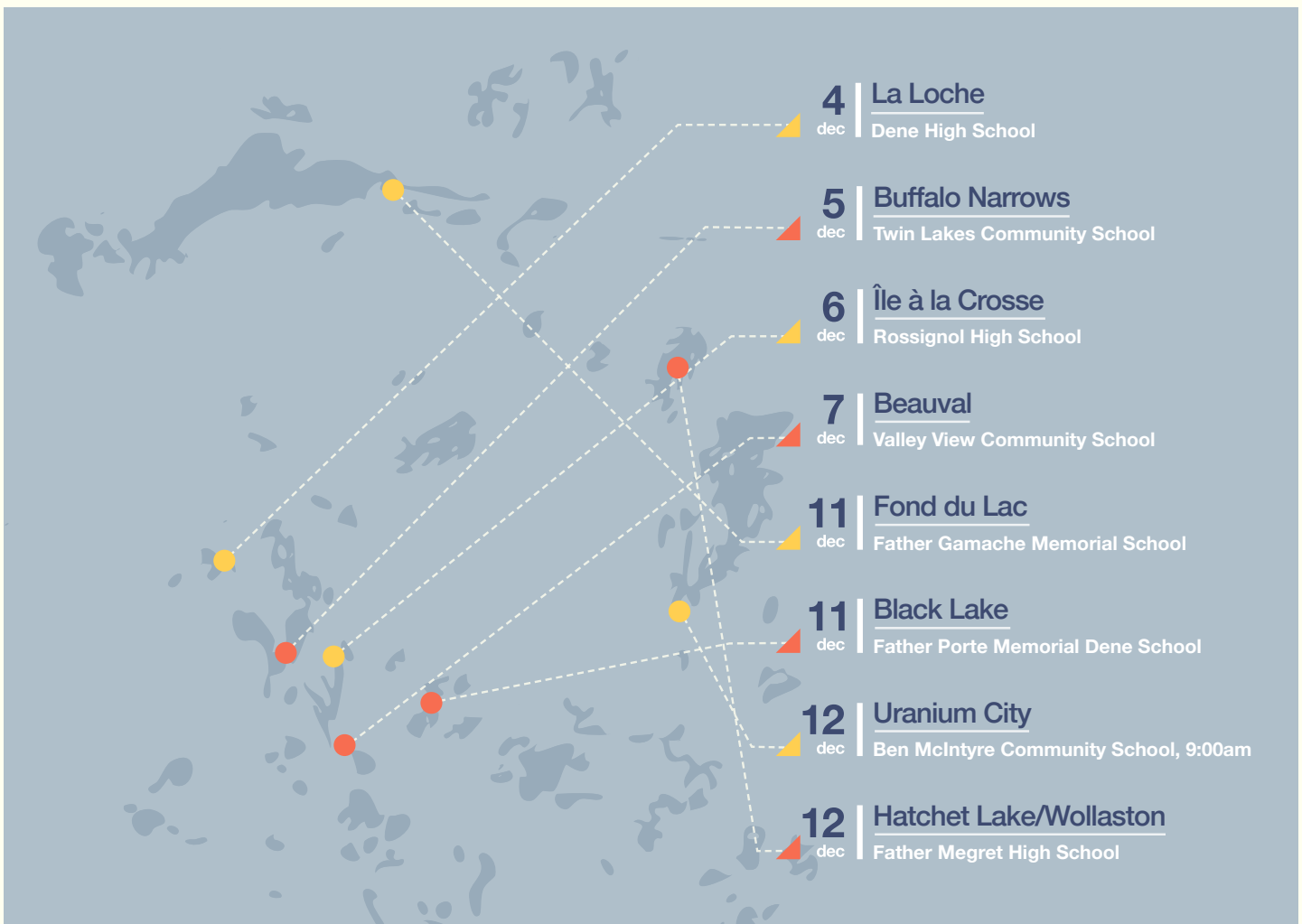


4 weeks

to resume production
from safe shutdown

Going forward together

Cameco's 2017 Northern Tour continues



Cameco will be visiting several more communities across northern Saskatchewan in December. Tough economics have resulted in many changes and the company plans to share more information on how it plans to stay sustainable long term.

Visits will include a class assembly with the Red Cross and the Saskatchewan Roughriders addressing suicide prevention, anti-bullying, and building healthier relationships.



A community supper and presentation by Cameco leaders will be held at 5:00pm. Watch for posters in your community or visit cameconorth.com



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