Cameco Corporation [NYSE: CCJ]

Price Target: $14.09
Upside: 46%

Industrials & Energy

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Overview of the Uranium Market

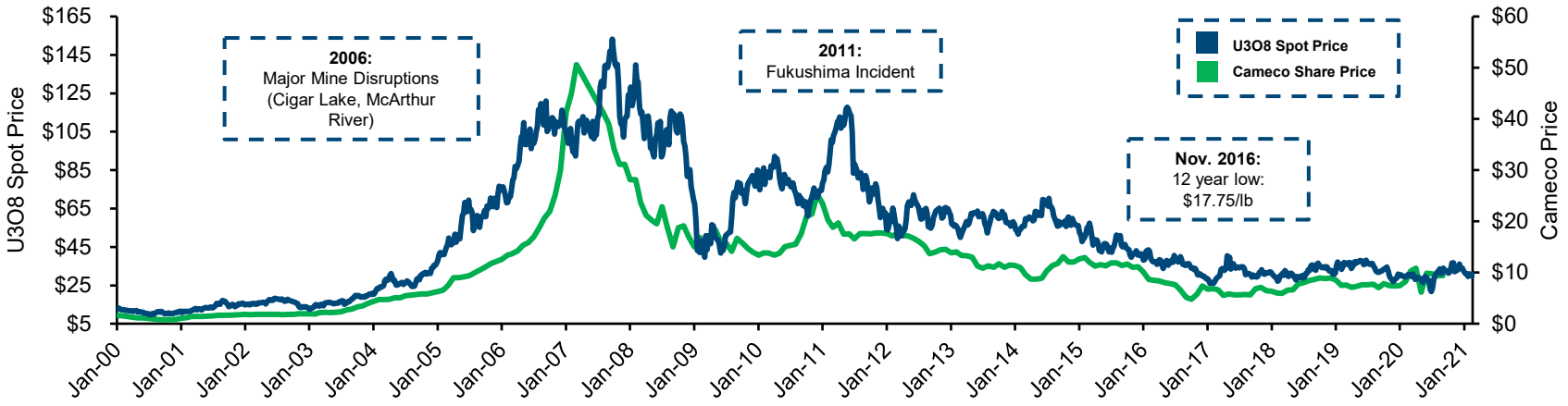
Opaque market with little price discovery occurring outside of long-term contracts

- **Long-term contracts**
  - 7-10 years in length
  - Price discovery occurs here
- **Bilateral vs. Request for Proposals**
  - 85% of volume negotiated bilaterally (confidential prices)
- **Utility behavior**
  - Cyclical contracting periods
  - "Rush" to contract until perceived supply deficits overwhelm security of supply
  - U_3O_8 is only 4-8% of utility operating costs
- **Inaccurate and delayed price reporting**
  - UxC has limited and delayed information to report
  - Creates inefficiencies in utility contracting and capital markets


Investment Thesis

Investment Narrative

A qualitative overview before we get into the numbers…

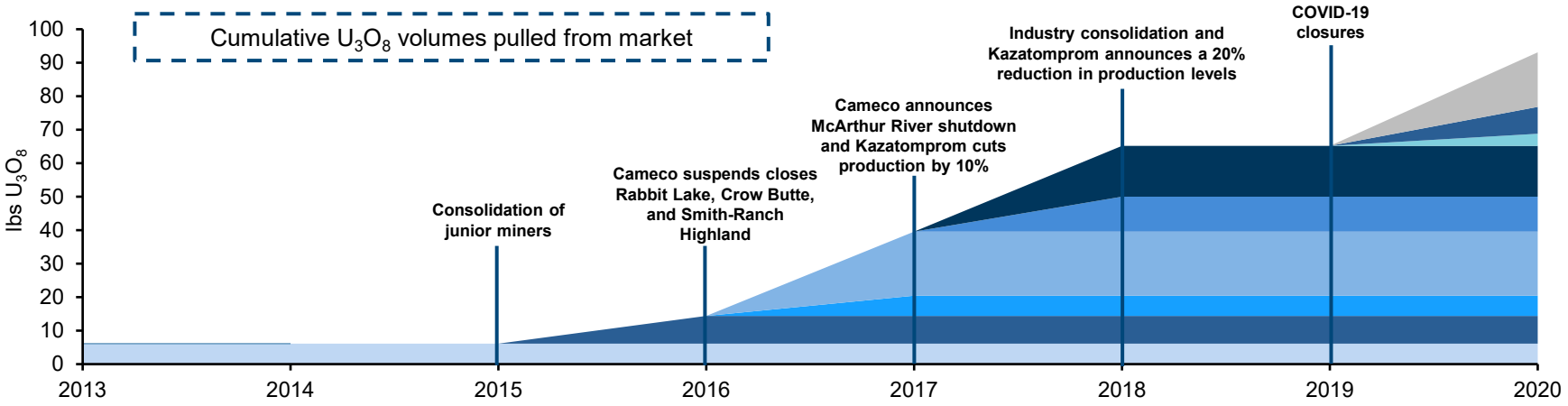


- Supply and demand are important factors in a materials market
- Fukushima incident took 54 reactors offline indefinitely (~13% of global demand), creating structural supply surplus
- Surplus exerted downward pressure on U_3O_8 prices, pushing it below AISCs for many suppliers
- Since 2015, suppliers have significantly curtailed production, drawing down inventories and stockpiles to fill contracts
- The diminished secondary market poses a serious threat to security of supply at current primary production levels
- We believe utilities must return to the long-term market within three years, or they will not have fuel for their reactors

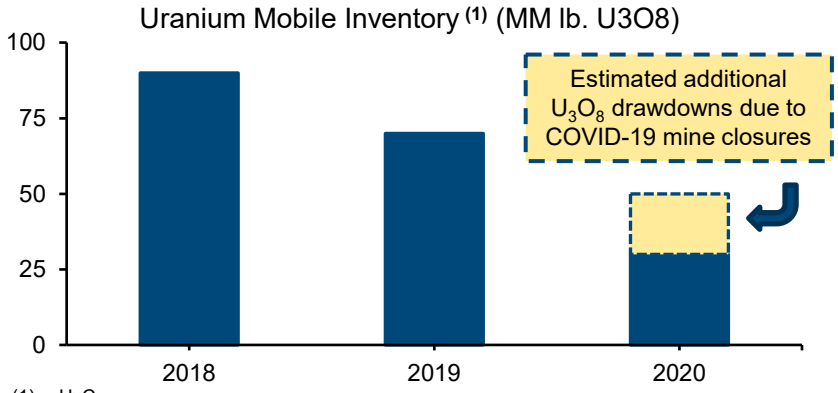
Shrinking Supply Security

Security of supply is incredibly important for utilities, and it's not looking great…

Historically low uranium prices have forced industry consolidation and mine closures from the largest players…



Causing accessible mobile inventories to shrink…



(1) UxC
(2) Carrying forward 2020's estimated primary supply

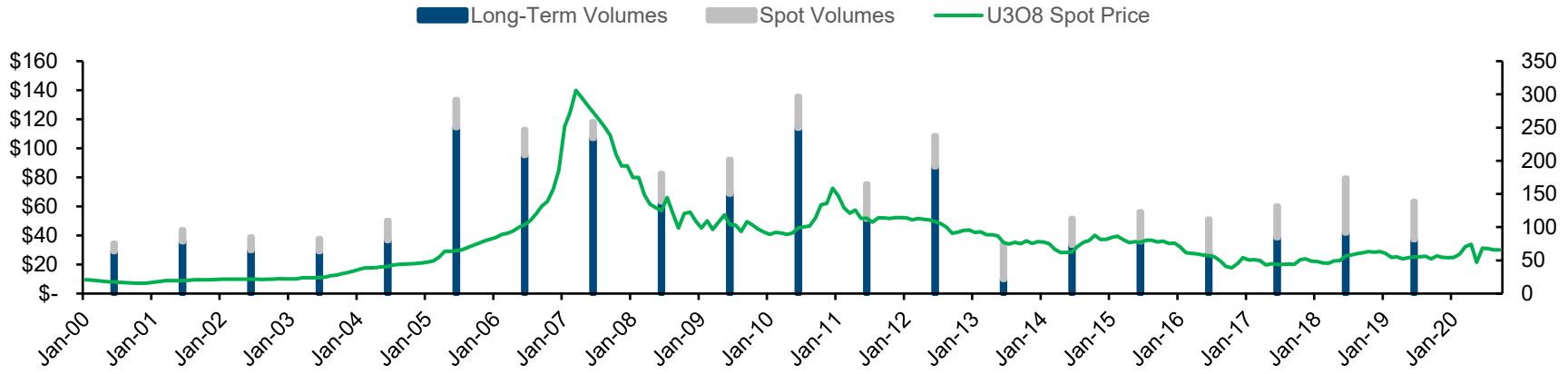
Which threatens utility security of supply

- 2-years of production requirements in inventories = 400 mm
- Estimated 2021 "all-in" supply = 150-160 mm
  - 2021(2) primary supply = 120-130 mm
  - Leftover 2020 mobile inventories = 30 mm
- Assuming 2021 utility consumption of 200 mm, acquiring all available U_3O_8 supply results in a 40-50 mm inventory deficit

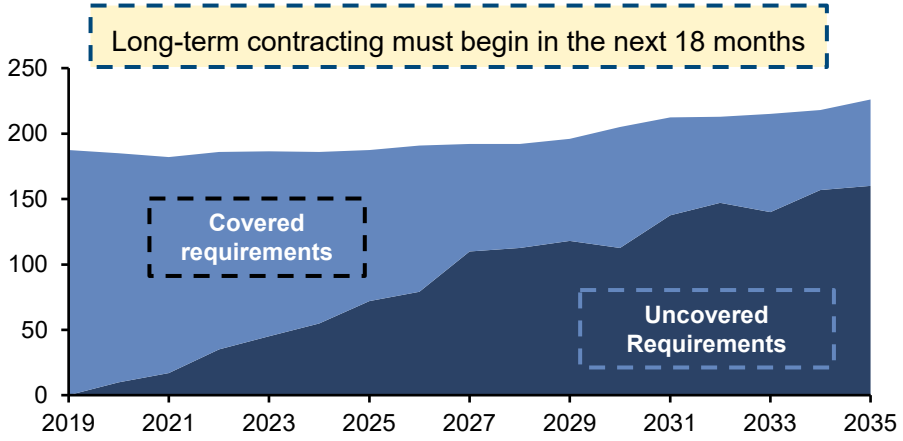
Failure to Contract and Uncovered Utility Requirements

Utilities have been dragging their feet to re-contract due to mixed market signals

Overall contract volumes [1] remain low because of 2007-2010 cycle, with historically low emphasis on LT volume…



[1]Painting an uncertain picture for utilities past 2021…



(1) Measured in mm lbs U_3O_8
(2) Cameco management, round table 2020

Why aren't they re-contracting?

> Future requirements not already covered under long-term contracts, utilities and infrastructure believes it will be able to renew contracts as they expire – Duke Energy 2019 10-k

Customers see supply signals and pay attention to supply signals

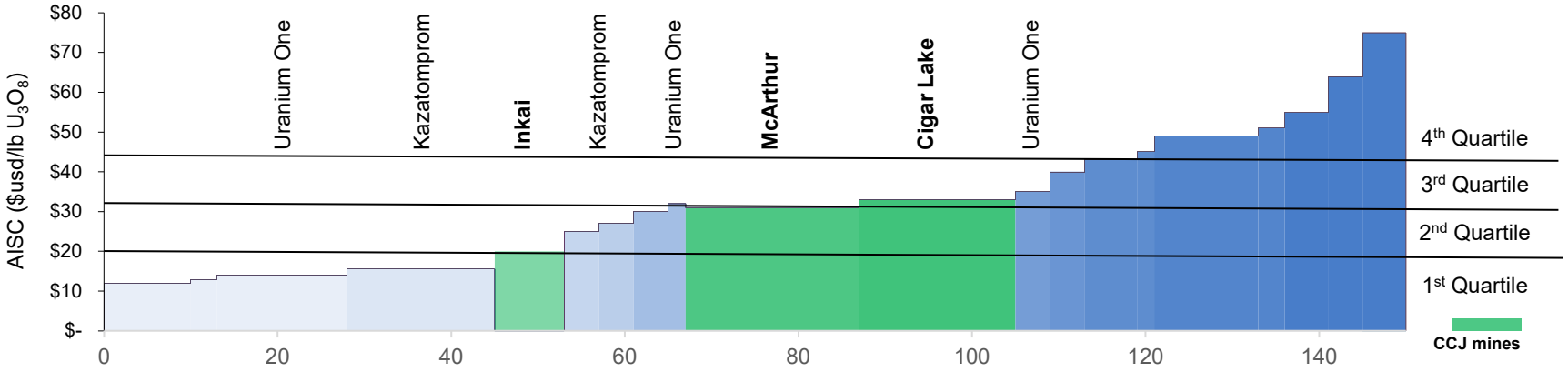
Receiving offers for uranium materials from intermediaries that are not guaranteed to have production a few years from now

> Fuel buyers are being led to believe that there is still a lot of uranium out there offered in the term market[2] – Cameco 2020

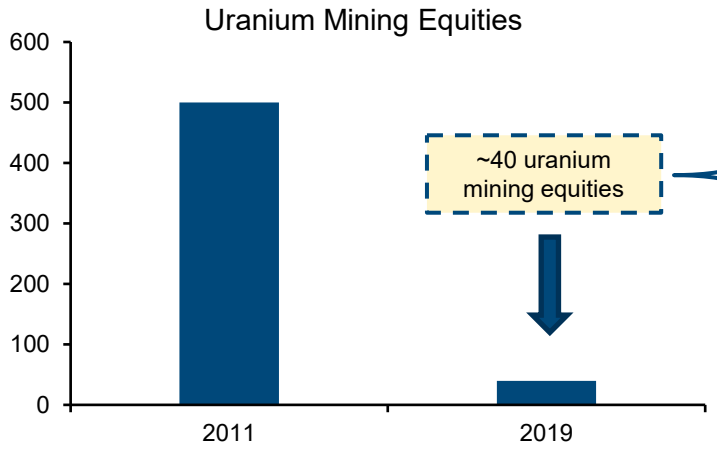
Why Cameco?

An industry leader in production cost & market share

Cameco's cost and volume of production across its mine portfolio are attractive relative to the industry [1] …



Which is much smaller than it used to be



Of that universe, there are a few names worth owning…

Kazatomprom

- London Stock Exchange
- Excellent management
- Low cost of production
- [2]FCF positive at $20/lb U_3O_8

Orano

- Owned by France

Uranium One

- Owned by Russia

Cameco

- Excellent management
- Low cost of production
- 18% of world production

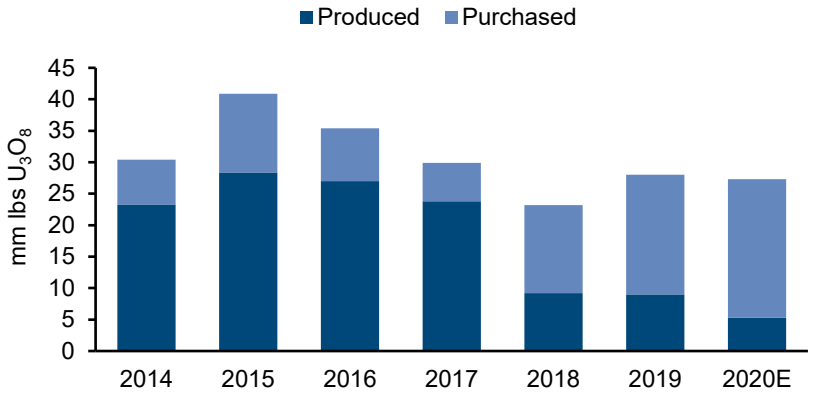
With a limited investing universe, **Cameco is CIMG's best exposure to uranium**

(1) Zacks Equity Research (2) Massif Capital

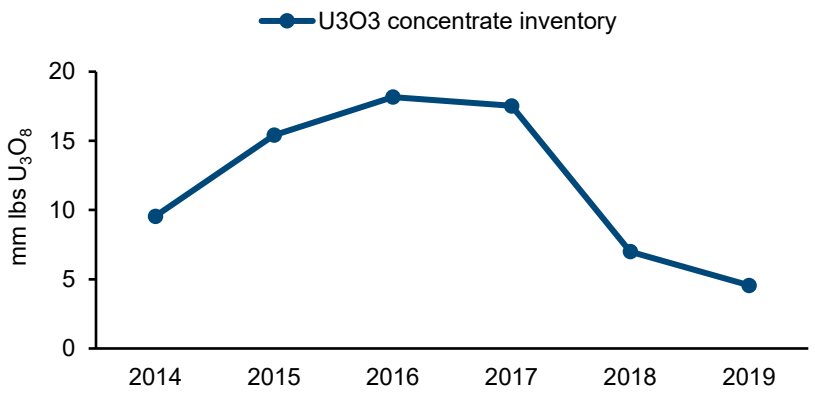
Why Cameco? A Tier-I Preservation Strategy

Cameco's management has ensured they'll be able to protect their most valuable assets…

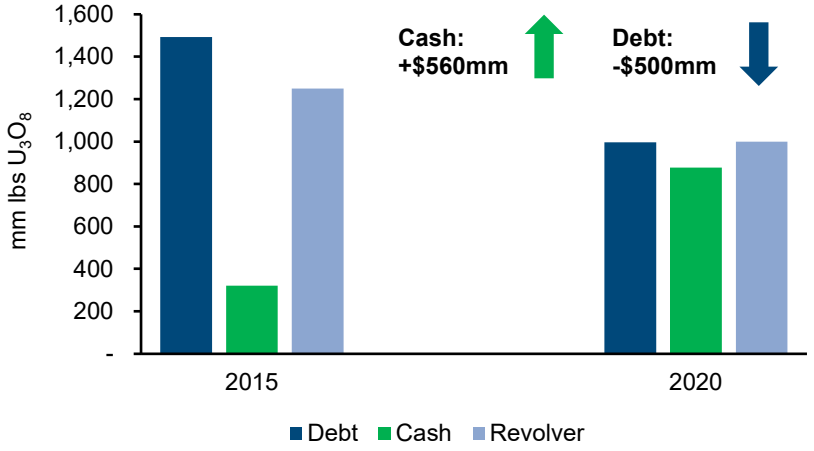
Filling deliveries with U_3O_8 purchases…



… and drawing down U_3O_8 inventories…



…while ensuring ample liquidity and reducing debt…



…allows Cameco to produce when the price is right.

> We will not produce from our tier 1 assets to sell into an oversupplied market. During a prolonged period of uncertainty, this could mean leaving our uranium in the ground in order to preserve the value of those assets – Cameco

Mine closures to preserve tier 1 assets

- Rabbit Lake indefinitely closed
- McArthur mines indefinitely closed
- Cigar Lake closed for ~5 months

Valuation

Model Assumptions and Price Target

Contract prices dictate when the mines reopen

Bull Case ($16.52 @ 35%)

- Recontracting efforts begin 1H21, prompting the reopening of mines in 2H21 with a return to full operation in 2H22
- Uranium prices at a 15% premium to current forward estimates
- Accelerated margin expansion as production is moved up

P/V	0.61
V/P	1.63
Implied upside	63%

2025 EBITDA	$	1,165
2025 Enterprise value	$	10,386
Implied EV/EBITDA exit multiple		8.92x

Base Case ($14.41 @ 50%)

- Recontracting efforts begin 2H21, prompting the reopening of mines in 1H22 with a return to full operation in 1H23
- Uranium prices at current forward estimates
- Median margin expansion as production is between bull and bear

P/V	0.70
V/P	1.42
Implied upside	42%

2025 EBITDA	$	1,131
2025 Enterprise value	$	8,876
Implied EV/EBITDA exit multiple		7.85x

Bear Case ($7.37 @ 15%)

- Recontracting efforts begin 1H22, prompting the reopening of mines in 1H23 with a return to full operation in 2H23
- Uranium prices at a 35% discount to current forward estimates
- Delayed margin expansion as production is delayed

P/V	1.38
V/P	0.73
Implied upside	-27%

2025 EBITDA	$	703
2025 Enterprise value	$	4,817
Implied EV/EBITDA exit multiple		6.85x

Expected Value: $14.09


Appendix

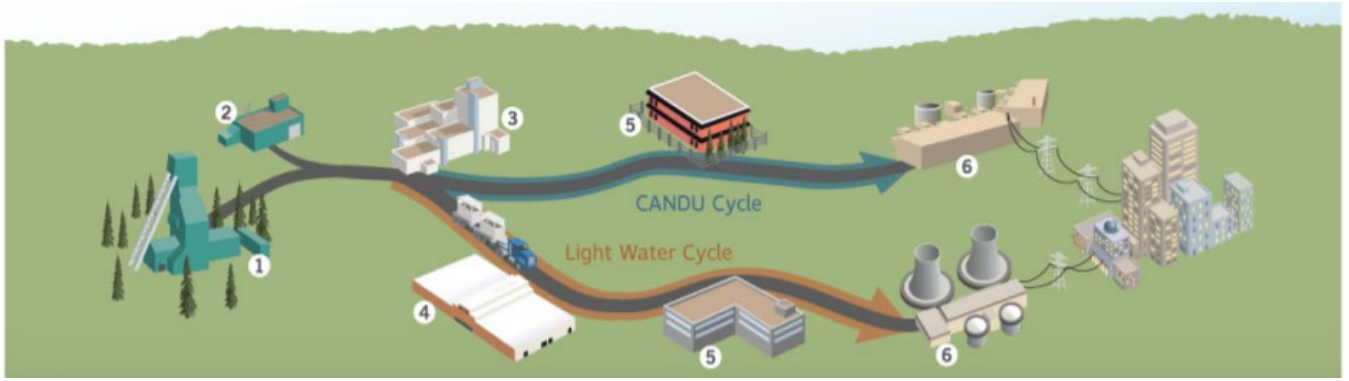
The Nuclear Fuel Cycle

From mine to fuel bundle…

Stages

1. Uranium ore is mined from deposits and processed into uranium concentrate U_3O_8
2. Impurities are removed
3. U_3O_8 is converted into UF_6 gas to prepare for enrichment
4. Enrichment of U-235 atoms from ~0.7% of natural uranium to 3-5% in final enrichment process
5. Final manufacturing of UO_2 pellets packed into stainless steel tubes and bundled to create fuel rods
6. Fuel rods contain fission reactions, which heat water into steam used to power generators

Overview

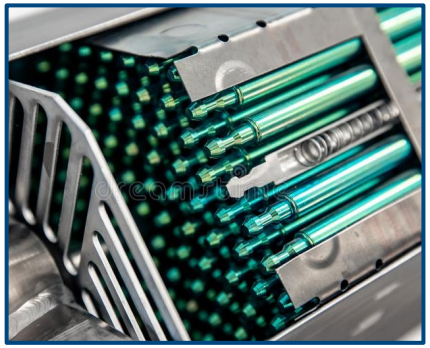


Illustrative stages

Stages 1, 2, & 3

Stages 4 & 5

Stage 6



How is U_3O_8 Priced?

It's an opaque market with little price discovery occurring outside of long-term contracts

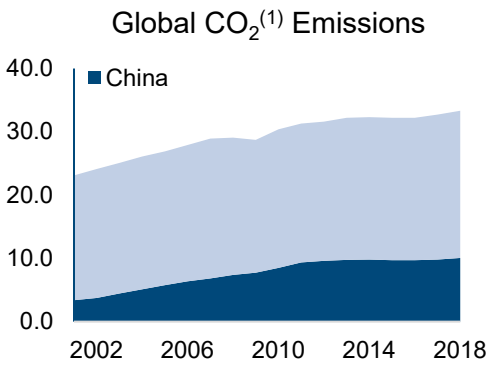
- There's not really a **"spot price"** or a **"long-term contract price"** … these are both reported by a couple of price reporters who depend on their relationships in the industry and publish anonymized deals to get the most recent transaction prices.
- Long-term contracting process:
  - Utility sends out an RFP
  - Negotiations
  - Contractual negotiations
  - A couple of months later this deal filters out to the price reporters
- Long-term contracts aren't standard across the industry…
  - They're usually 60% fixed price that escalates over the course of the contract with the other 40% negotiated as a premium or discount to the "spot" price. There are cuffs and collars to prevent prices from swinging too wildly throughout the contract lifecycle.

Source: Ux Consulting and TradeTech, Numerco April 1, 2019

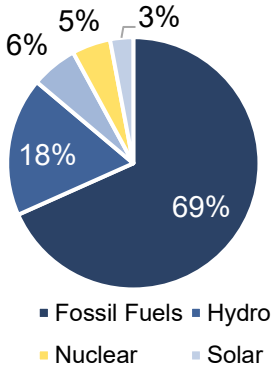
What is going in China?

The impetus for nuclear is increasing due to air pollution from coal-fired plants

30% of CO_2 emissions…

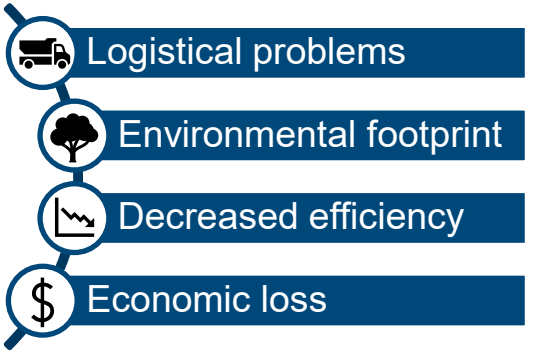


heavy reliance on coal…



CNEA projects nuclear energy to provide 10% of total electricity in China by 2030 and 15% by 2050

coal has issues…



The role of nuclear power in decarbonization

Why decarbonization?	Renewable energy	Nuclear option	Current initiatives
• Climate system responds to cumulative GHG emissions • CO_2 can remain in atmosphere for several centuries • Stabilizing emissions is not enough • Goal is to reduce CO_2 emissions to zero by 2060	• Leader in manufacturing and deployment of wind and solar generation • Resources are in central China, but consumption centers are on the coasts • Deployment costs are greater than construction cost of wind / solar farms	• 48 operating reactors • 12 under construction • Building 6-8 reactors a year • 200 reactors by 2060 • Requiring ~70 million lbs of uranium per year (28% of existing demand) • Closed nuclear fuel cycle	• Electricity Market reform • Energy Development Strategy Action Plan • Cut reliance on coal and promote clean energy • Timely launch of nuclear projects on east coast • Peak CO_2 emissions by 2030
• Dependency on scaling up renewable and nuclear generation for electricity	• Need a more reliable source of energy for electricity, increasing nuclear demand	• $12 billion investment in 3rd generation nuclear reactors to become self-sufficient	• GDP slowdown facilitates CO_2 peak by 2025-2030

(1) CO_2 emissions measured in billions of metric tons

Nuclear Power in Europe and Emerging Markets

Positive news on the demand side for Uranium

European Union

- EU becoming carbon neutral by 2050 with leaders acknowledging nuclear energy as part of the solution that must be included in the Green Deal agreement
- France delays their plan to reduce nuclear dependency from 75% to 50% by 10 years to 2035
  - ► Increasing uranium demand by ~5 million pounds per year (2% of existing global demand)

China

- Entered the market in 2010 and purchased contracts from 2014-2025, which are expiring soon
- Currently produces 15 million pounds, leaving 35 million to come from outside suppliers
- Announced decarbonization plan by 2060, which depends significantly on scaling up renewable and nuclear generation in the electricity section

Russia

- No populist energy policy favoring wind and solar, the priority is unashamedly nuclear
- Projected to have half of its total electricity provided by nuclear and hydro in 2030
- "Russia's GDP gained three rubles for every ruble invested in nuclear power plants"- Rosatom
- RSA agreement expires in 2020 and is currently under review

India

- Reinforced the country's aggressive pursuit of new nuclear power plants in order to improve the reliability of their power supply
- Currently 9 reactors under construction and government has granted administrative and financial support to build an additional 12 new reactors with capacity of 9,000 MW(e)

Taiwan

- Overturned "nuclear free 2025" mandate imposed by the anti-nuclear democratic progressive party in 2017
- Possible future pro-nuclear decisions regarding extending the lives of existing nuclear power plants and completing the Lungmen nuclear plan

Middle East (UAE)

- Offering joint-venture contracts to foreign investors for the construction and operation of future nuclear power plants
  - ► Accepted a $20 billion bid from South Korea to build 4 commercial nuclear reactors by 2020

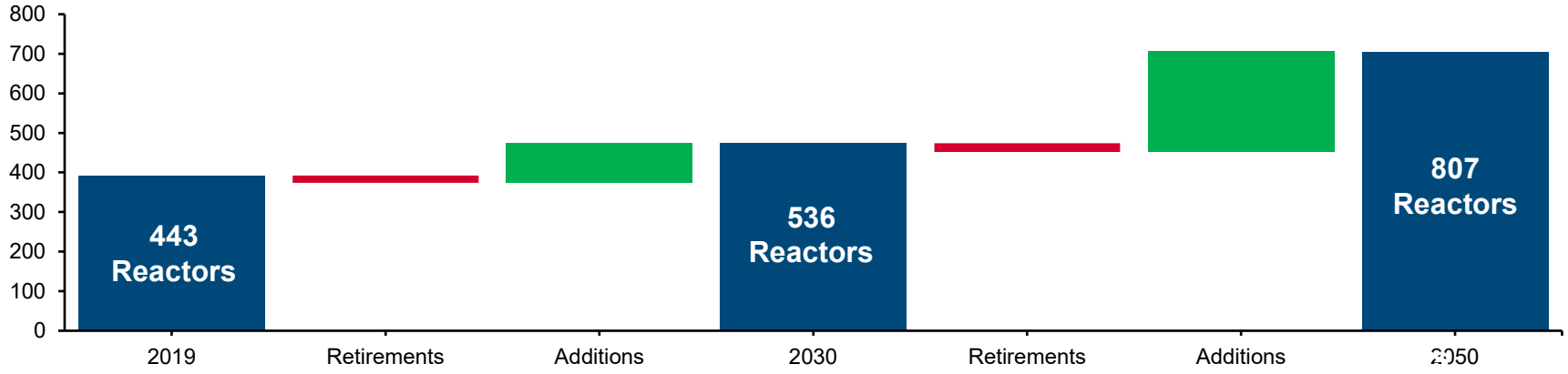
> "Nuclear energy emerged as an environmentally promising and commercially competitive option with potential base-load contributions to the economy and future energy security – UAE Government Official

(1) Source: World Nuclear Association

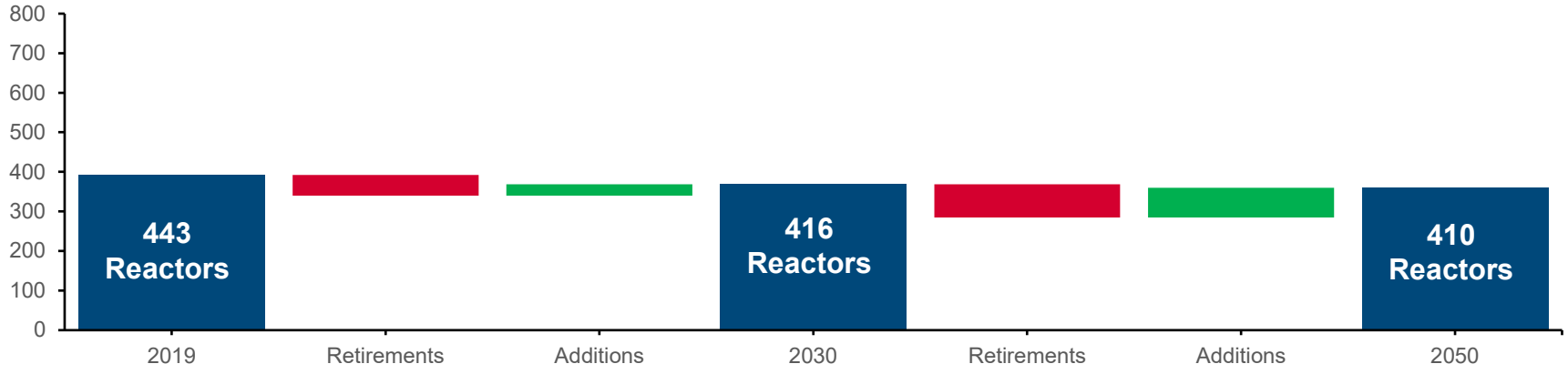
2020 International Atomic Energy Agency Nuclear Demand Projections

Steady bear case demand…

High Case Scenario for Nuclear Reactors to 2050 (Gw/h)



Low Case Scenario for Nuclear Reactors to 2050 (Gw/h)



Nuclear Power Reactors In The World (end of 2019)

Country	Operational Units	Net Capacity	Units Under Construction	Net Capacity	Share of total electricty produced
Argentina	3	1641	1	25	5.8%
Armenia	1	375			27.3%
Bangladesh			2	2160	
Belarus			2	2220	
Belgium	7	5930			46.2%
Brazil	2	1884	1	1340	2.5%
Bulgaria	2	2006			40.5%
Canada	19	13554			15.1%
China	48	45518	11	10564	4.7%
Czech Republic	6	3932			35.7%
Finland	4	2794	1	1600	34.7%
France	58	63180	1	1630	70.0%
Germany	6	8113			12.2%
Hungary	4	1902			48.8%
India	22	6255	7	4824	2.7%
Iran	1	915	1	974	1.9%
Japan	33	31679	2	2653	6.7%
Korea	24	23172	4	5360	25.0%
Mexico	2	1552			3.3%
Netherlands	1	482			3.2%
Pakistan	5	1318	2	2028	6.4%
Romania	2	1300			18.8%
Russia	38	28437	4	4525	18.6%
Slovakia	4	1814	2	880	51.9%
Slovenia	1	688			37.2%
South Africa	2	1860			5.7%
Spain	7	7121			21.2%
Sweden	7	7740			42.0%
Switzerland	4	2960			38.1%
Turkey			1	1114	
Ukraine	15	13107	2	2070	55.4%
U.A.E			4	5380	
United Kingdom	15	8923	2	3260	16.5%
U.S.A.	96	98152	2	2234	19.3%
World Total	**443**	**392098**	**54**	**57441**	**10.4%**

(1) Net Capacity measured in MW(e)
(2) Source: “Energy, Electricity and Nuclear Power Estimates for the period up to 2050”published by the International Atomic Energy Agency

Nuclear Construction Timelines

There are currently 54 reactors under construction around the world

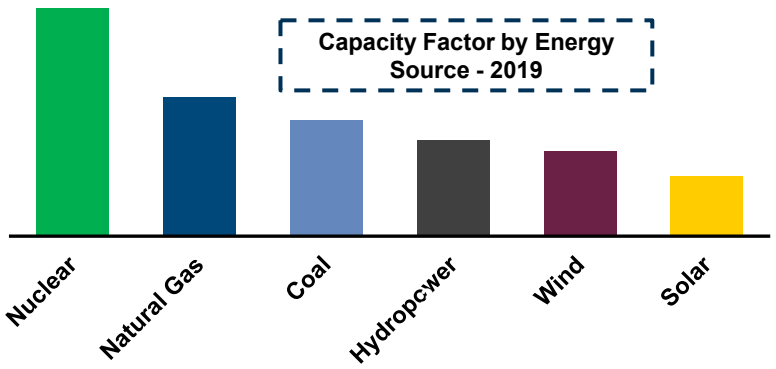
Start	Country	Reactor	Model	Gross MWe
2020	Belarus, BNPP	Ostrovets 1	VVER-1200	1194
2020	China, China Huaneng	Shidaowan	HTR-PM	210
2020	China, CNNC	Fuqing 5	Hualong One	1150
2020	India, NPCIL	Kakrapar 3	PHWR-700	700
2020	Korea, KHNP	Shin Hanul 1	APR1400	1400
2020	Russia, Rosenergoatom	Leningrad II-2	VVER-1200	1170
2020	Slovakia, SE	Mochovce 3	VVER-440	471
2021	Argentina, CNEA	Carem25	Carem	29
2021	Belarus, BNPP	Ostrovets 2	VVER-1200	1194
2021	China, CNNC	Fuqing 6	Hualong One	1150
2021	China, CGN	Hongyanhe 5	ACPR-1000	1080
2021	China, CNNC	Tianwan 6	ACPR-1000	1118
2021	Finland, TVO	Olkiluoto 3	EPR	1720
2021	India, Bhavini	Kalpakkam PFBR	FBR	500
2021	India, NPCIL	Kakrapar 4	PHWR-700	700
2021	Korea, KHNP	Shin Hanul 2	APR1400	1400
2021	Pakistan	Karachi/KANUPP 2	ACP1000	1100
2021	Slovakia, SE	Mochovce 4	VVER-440	471
2021	UAE, ENEC	Barakah 2	APR1400	1400
2021	USA, Southern	Vogtle 3	AP1000	1250
2022	China, CGN	Fangchenggang 3	Hualong One	1180
2022	China, CGN	Fangchenggang 4	Hualong One	1180
2022	China, CGN	Hongyanhe 6	ACPR-1000	1080
2022	India, NPCIL	Rajasthan 7	PHWR-700	700
2022	Pakistan	Karachi/KANUPP 3	ACP1000	1100
2022	Russia, Rosenergoatom	Kursk II-1	VVER-TOI	1255
2022	UAE, ENEC	Barakah 3	APR1400	1400
2022	USA, Southern	Vogtle 4	AP1000	1250
2023	Bangladesh	Rooppur 1	VVER-1200	1200
2023	China, CNNC	Xiapu 1	CFR600	600
2023	France, EDF	Flamanville 3	EPR	1750
2023	India, NPCIL	Kudankulam 3	VVER-1000	1050
2023	India, NPCIL	Kudankulam 4	VVER-1000	1050
2023	India, NPCIL	Rajasthan 8	PHWR-700	700
2023	Korea, KHNP	Shin Kori 5	APR1400	1400
2023	Russia, Rosenergoatom	Kursk II-2	VVER-TOI	1255
2023	Turkey	Akkuyu 1	VVER-1200	1200
2023	UAE, ENEC	Barakah 4	APR1400	1400
2024	Bangladesh	Rooppur 2	VVER-1200	1200
2024	China, Guodian & CNNC	Zhangzhou 1	Hualong One	1150
2024	Iran	Bushehr 2	VVER-1000	1057
2024	Korea, KHNP	Shin Kori 6	APR1400	1400
2024	Turkey	Akkuyu 2	VVER-1200	1200
2025	China, CGN	Taipingling 1	Hualong One	1150
2025	China, Guodian & CNNC	Zhangzhou 2	Hualong One	1150
2025	UK, EDF	Hinkley Point C1	EPR	1720
2026	UK, EDF	Hinkley Point C2	EPR	1720

(1) U.S. Department of Commerce

Nuclear Power is Cost Effective

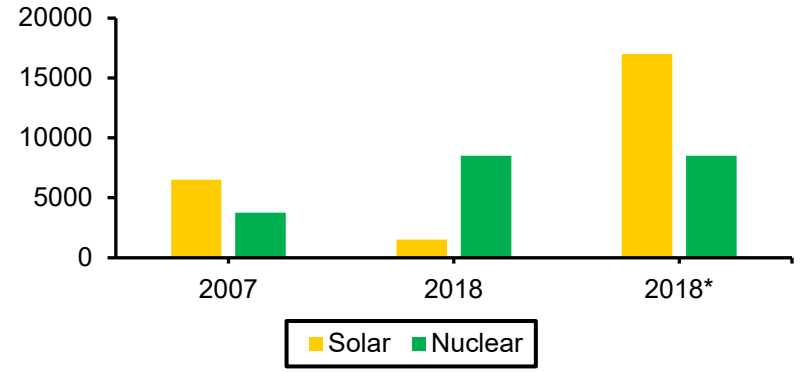
Wind and solar power have significant cost disadvantages compared to nuclear power

(1)Nuclear power is the most reliable energy source



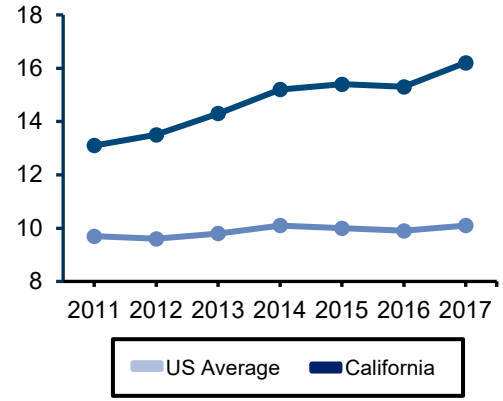
(2)Energy storage increases the price of renewables

Installed Costs by Power Source ($/kW)



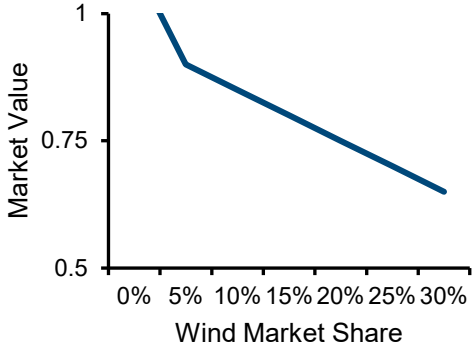
(3)Increased use of renewables…

CA vs US Energy Prices (c/kW)



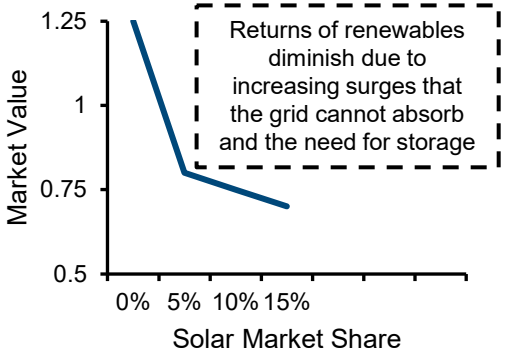
(3)leads to higher energy prices…

40% drop in value at 30% of grid



(3)as they make up more of the grid.

50% drop in value at 15% of grid

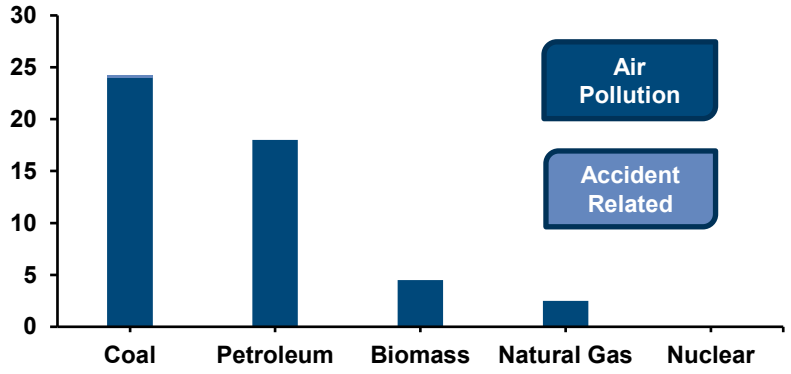


(1) US Energy Information Administration (2) Stanford University (3) Journal of Energy Policy and the OECD

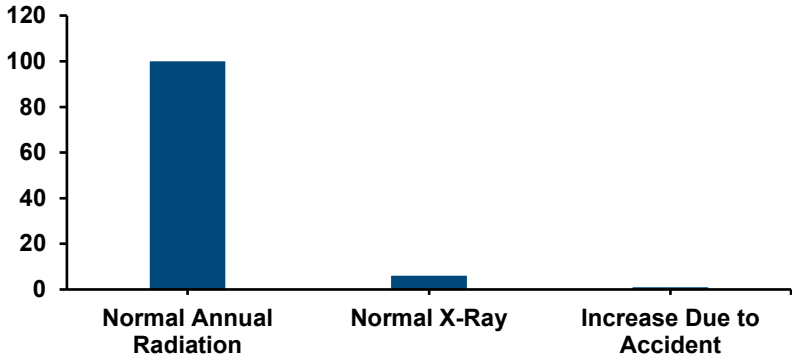
The Safety of Nuclear Power

Nuclear energy is significantly safer than other forms of energy

Deaths per TWh from energy source



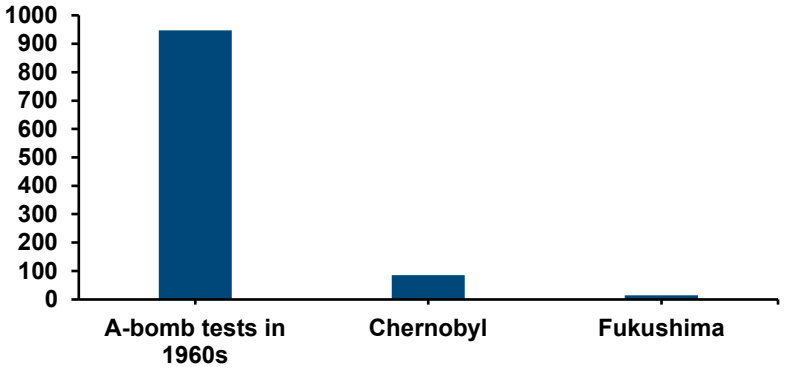
Three-Mile Island accident radiation (mrem/year)



Harms from accidents are often exaggerated

- Out of over 17,000 cumulative reactor years, only 3 major accidents have happened
- Per official Soviet numbers, Chernobyl only resulted in 30 deaths
- "Nuclear power has *saved* 1.8 million lives to date by preventing the burning of fossil fuels." – James Hansen of Columbia University

Radiation Releases (PBq of 137-Cs)



(1) The Lancet Journal (2) U.S. Nuclear Regulatory Commission (3) Environmental Science and Technology Journal

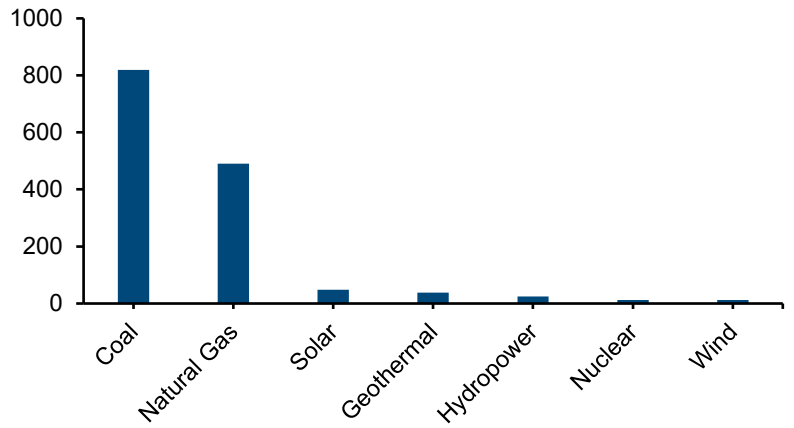
Radioactive Waste

Risks from radioactive waste are severely overblown

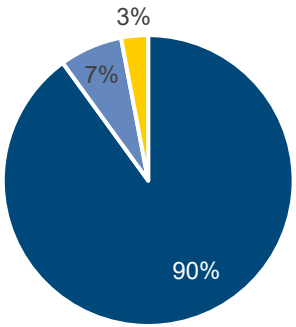
Utilities have many disposal methods to handle waste

Option	Waste Types
Near-surface disposal at ground level or caverns a few feet below ground level	▪ Low-level waste ▪ Short-lived intermediate-level waste
Deep geological disposal at depths of hundreds or thousands of meters below the surface. This method is the policy of many countries but hasn't been implemented yet.	▪ High-level waste ▪ Long-lived intermediate-level waste

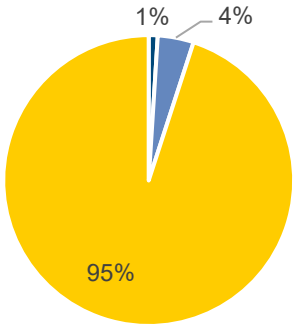
gCO2 Generated per kWh from energy sources



Radioactive waste by volume



Radioactive waste by radioactivity



High-Level
Used fuel and waste from reprocessing used fuel

Intermediate
Resins, chemical sludges, metal fuel

Low-Level
Rags, tools, paper, etc

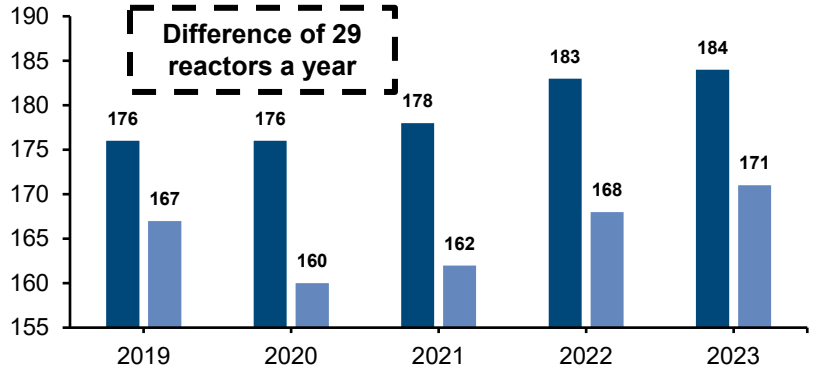
Potential Replacements for Uranium

Important in the long term, but currently not realistic

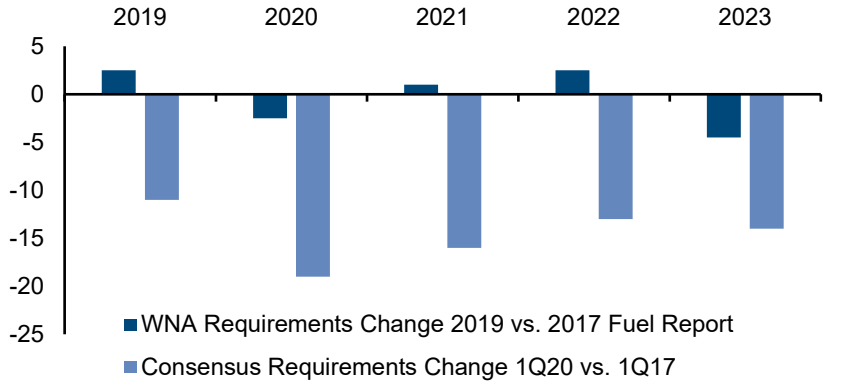
Reprocessed Uranium	Plutonium	Thorium
~5% of uranium from fuel rod can be recovered	Plutonium produced as a by-product can be reused as new fuel	Proprietary mixture of uranium and thorium going to market in 2024
This percentage is not expected to increase. It is only economical when supply is very low, or price is very high. Not performed world-wide.	Nuclear non-proliferation requires plutonium not be reprocessed as it can be used in nuclear bombs. Nuclear non-proliferation requires plutonium not be reprocessed as it can be used in nuclear bombs.	New development that is best used in heavy-water reactors. Only one company is planning to produce the fuel starting in 2024.

UxC Flawed Reporting Leads to Inefficiencies in the Uranium Market

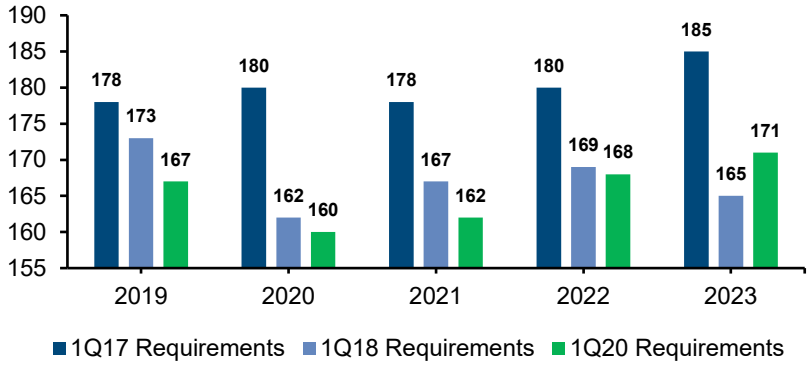
WNA Reactor U_3O_8 requirements are significantly higher



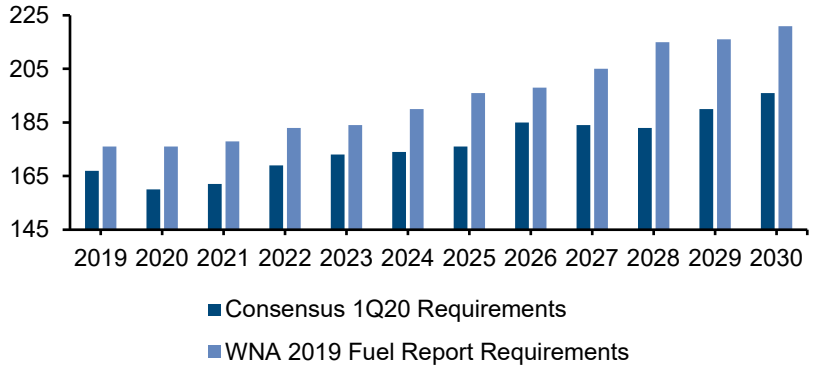
Changes in WNA vs UxC requirements materially different



UxC U_3O_8 demand declined materially after supply cuts



UxC vs WNA Global U3O8 Requirements



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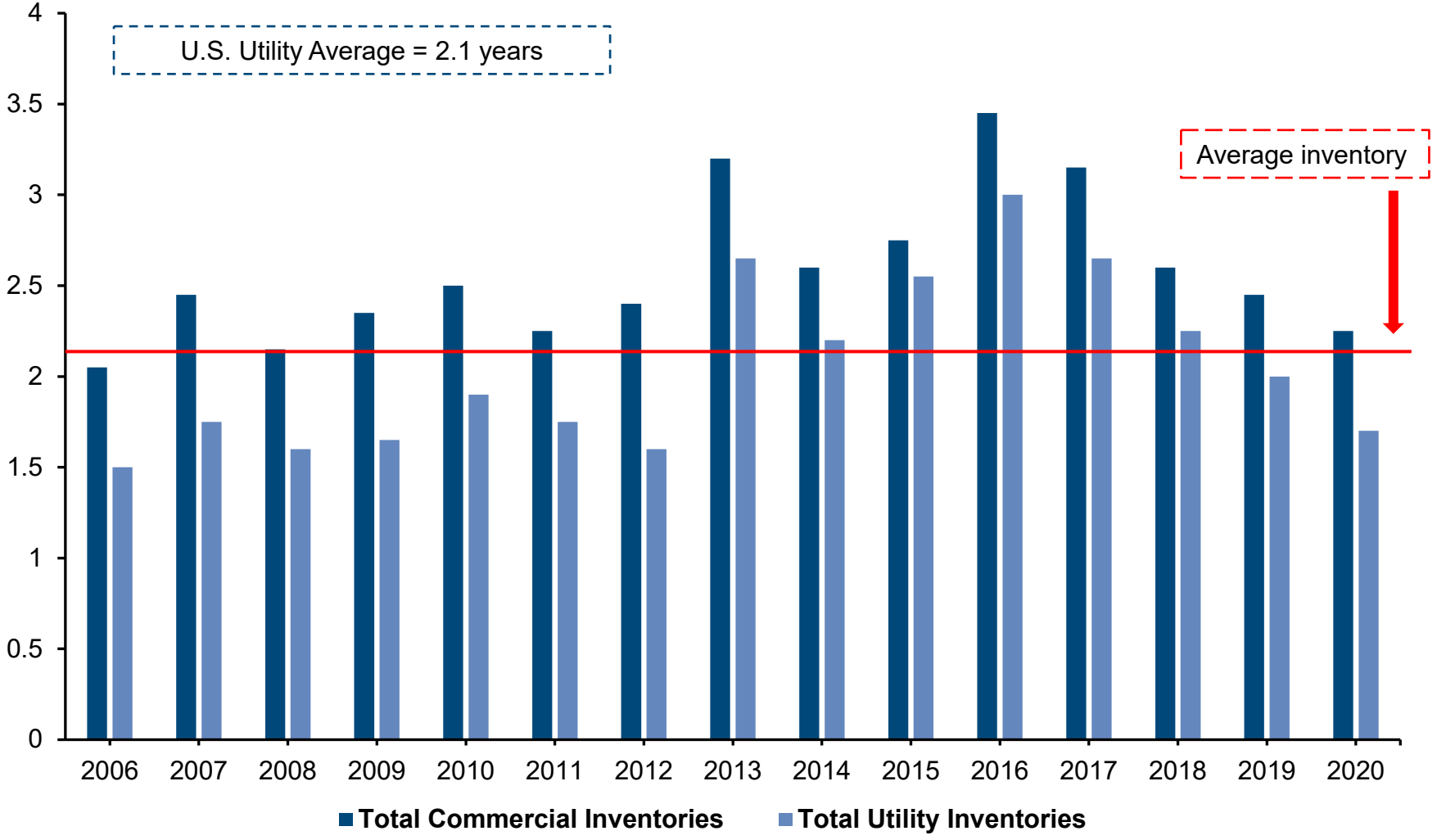
U.S. Inventories Are Actually Below Normal Levels

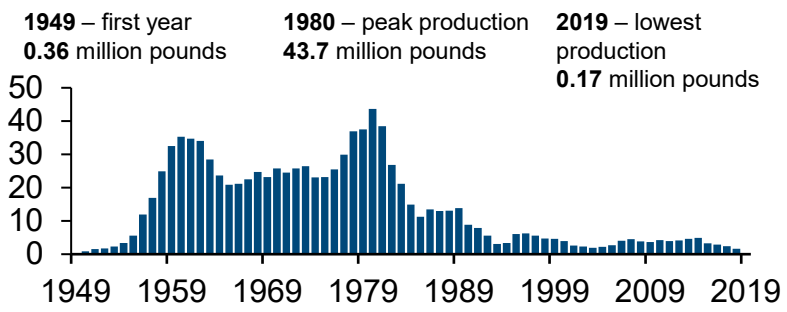
Total U.S. utility and commercial inventory in years



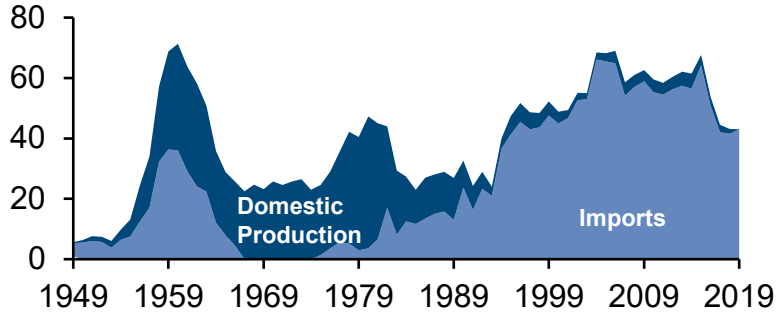
US Uranium Miners' Section 232 Petition

Falling domestic U3O8 production has led to the disappearance of US uranium mining companies

US uranium concentrate (U3O8) production



US domestic production and foreign imports of uranium



The Uranium Producers of America petitioned the government for a 25% import quota on US uranium

- In July 2019, the Trump Administration rejected their proposal and instead formed the Nuclear Fuel Working Group in order to address the concerns regarding domestic uranium production and to ensure a comprehensive review of the entire domestic nuclear supply chain.

The ruling was viewed favorably by Cameco

- Tim Gitzel, Cameco's CEO: "Uranium supplied by Cameco or Canada for zero-carbon energy generation had never been a threat to US national security. **Cameco will participate in the efforts of this Working Group in any way we can.** As a long-term commercial producer, employer, supplier and investor in the US uranium and nuclear energy sectors, we want to see this industry succeed and grow.

(1) US Energy Information Administration

Nuclear Energy in the 2020 Political Landscape

The Democratic Party is finally starting to support nuclear power again

"**We support a technology-neutral approach that includes all zero-carbon technologies**, including hydroelectric power, geothermal, **existing and advanced nuclear**, and carbon capture and storage."

"**Identify the future of nuclear energy.** To address the climate emergency threatening our communities, economy, and national security, we must look at all low and zero carbon technologies, such as small modular nuclear reactors at half the construction cost of today's reactors. That's why **Biden will support a research agenda** to look at issues, ranging from cost to safety to waste disposal system, that remain an ongoing challenge with nuclear power today." – *Joe Biden 2020 Campaign Platform*

Recent legislation under the Trump Administration supports nuclear power and uranium

- Nuclear Energy Innovation and Modernization Act (2019)
  - Directed the Nuclear Regulatory Commission to make regulations move more quickly for establishing nuclear reactors
  - Established a faster licensing structure for advanced nuclear reactors
  - Imposed a cap on the NRC's fees for existing reactors
  - Created the Nuclear Fuel Working Group in order to "to develop recommendations for reviving and expanding domestic nuclear fuel production"
- 2020 Federal Budget
  - Sets aside $150 million a year for 10 years to establish a strategic uranium reserve
    - Goal is to "to provide additional assurances of availability of uranium in the event of a market disruption"
- Nuclear Energy Innovation and Capabilities Act (2018)
  - Speeds up the development of advanced reactors in the US by eliminating regulations and financial barriers
  - Commits the government to further support of the private sector through cost-sharing partnerships and the development of research infrastructure

Russian Suspension Agreement

Fuel buyers are waiting for this trade dispute to end before renewing contracts

[1]Recent draft amendments from the Department of Commerce and Rosatom look favorable for the industry

- **A draft amendment submitted on October 5th would:**
  - Reduce U.S. imports of enriched uranium from Russia from 20% in 2020 to 15% in 2028
  - Strengthen existing protections for the US commercial enrichment industry by reducing the Agreement's export limits
  - Limits U3O8 imports from Russia to 5% in 2026, which would positively help U.S. and Canada uranium miners
  - Allow for the fulfillment of U.S. customers' preexisting contracts for Russian uranium
    - Utilities are not forced to renew these contracts immediately

[1]The Russian Suspension Agreement has played a role in making utility buyers wait to renew long-term contracts

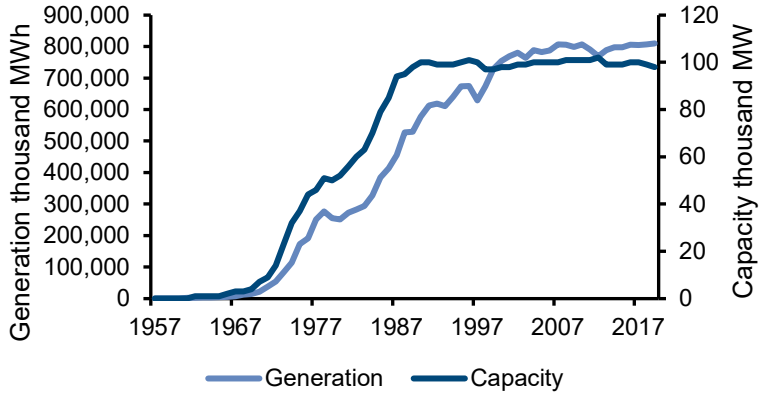
- **Long-term contracting declined 37% during H1 2020.**
  - Many utilities are on the sidelines waiting clarity on the Russian Service Agreement and the President's Nuclear Fuel Working Group
  - Kazatomprom management indicated in their 2Q 2020 earnings call that fuel buyers will begin negotiations in the fall for long-term contracts after these issues have been addressed

(1) U.S. Department of Commerce

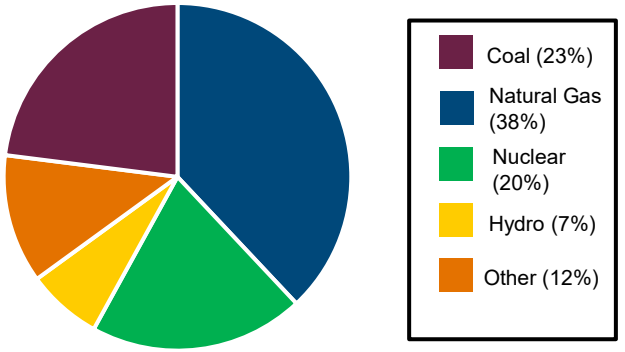
Nuclear Power in the United States

The nuclear power industry has largely remained unchanged since the 1980s

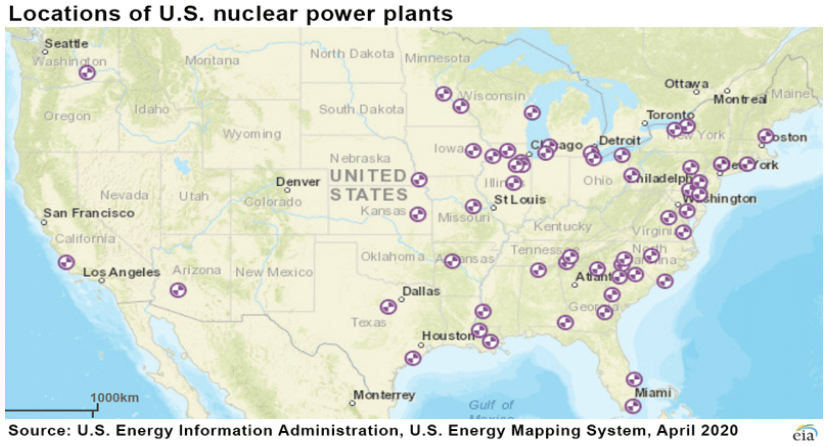
(1)A lack of investment has led to a stagnation in nuclear



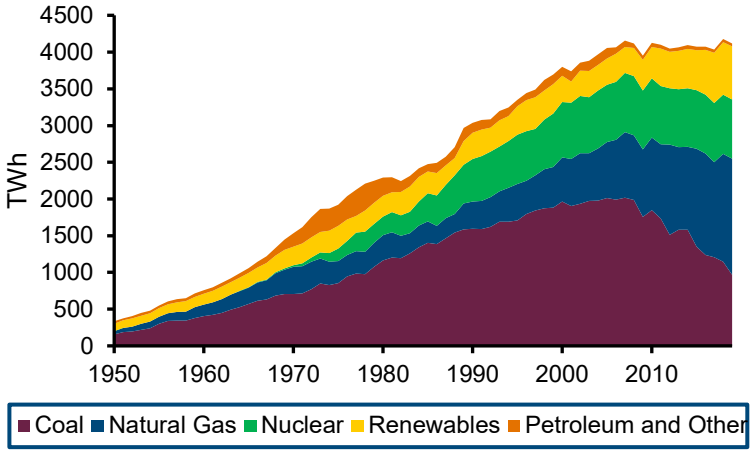
(1)Nuclear power provides 20% of our electricity



(1)California has been reluctant to invest in nuclear power



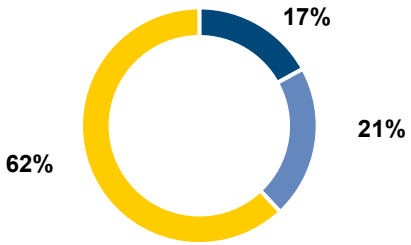
(1)Recent legislation could reduce our reliance on coal



(1) U.S. Energy Information Administration

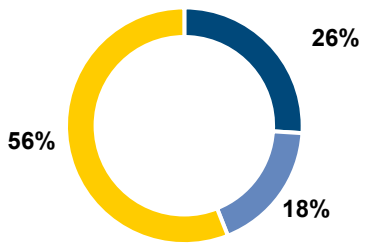
Management Compensation

CEO Compensation



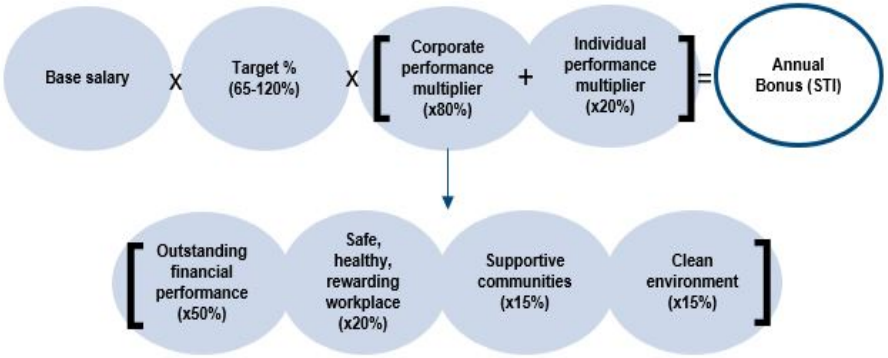
■ Base Salary ■ Short-term incentive ■ Long-term incentive

Other C-Suite Compensation Plans

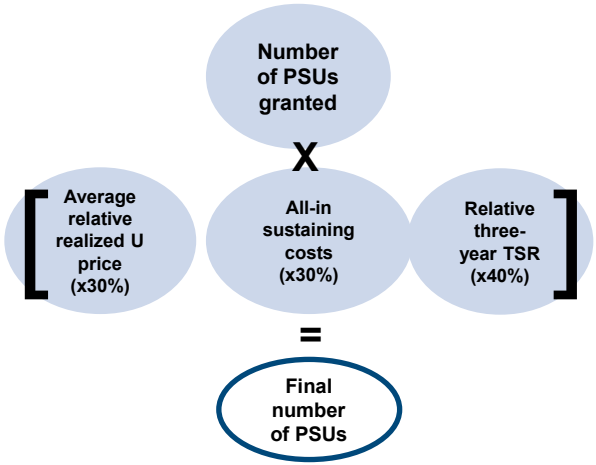


■ Base Salary ■ Short-term incentive ■ Long-term incentive

Short-Term Incentives



Long-Term Incentives



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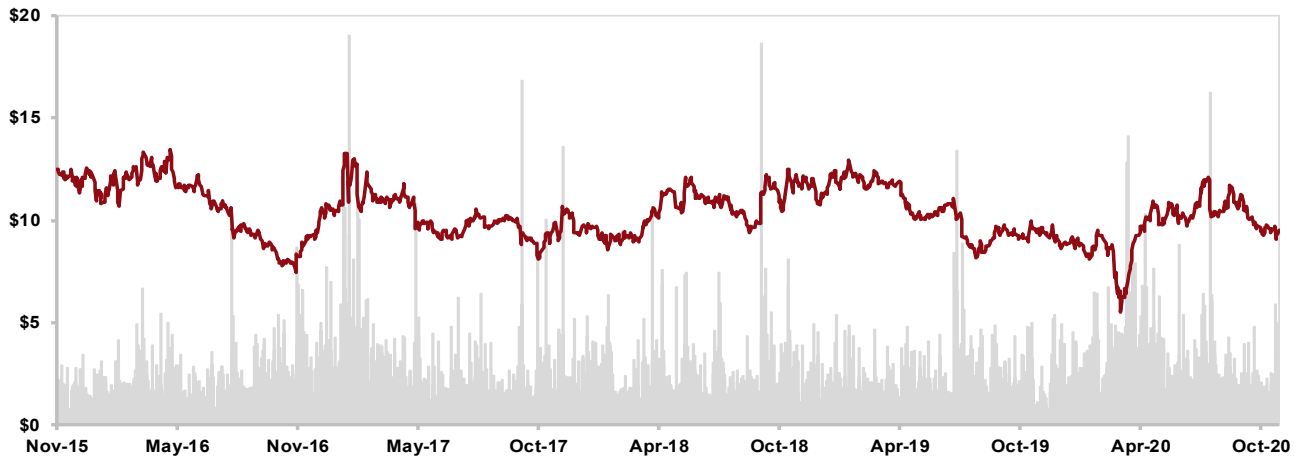
Cameco Corporation Tear Sheet

Stock	11/10/20
Price	$9.62
Div Yield	0.6%
Market Cap	3,807,990 M
EV	4,032,456 M
52 Week High	$12.33
52 Week Low	$5.30

Intrinsic Valuation	
Value/Share	$ 14.09
Upside	46.5%
Discount Rate	7.3%
LTGR	2.5%
Exit Multiple	7.85x

Business	
5 yr Rev CAGR	(4.9%)
5 yr EBIT CAGR	(31.5%)
Gross Margin	8.6%
EBIT Margin	1.7%
Net Margin	(0.1%)
Tax Rate	115.2%

Market Valuation (TTM)	
P/E	-
FCF Yield	0.3%
P/B	0.8x
P/HBV	1.0x
EV/Rev	1.9x
EV/EBITDA	14.6x
EV/EBIT	109.2x



Margins	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Margin	48%	44%	40%	36%	41%	37%	34%	36%	30%	28%
Operating Margin	27%	21%	13%	7%	(1%)	1%	(2%)	(5%)	6%	11%
Net Margin	24%	19%	13%	13%	8%	2%	(2%)	(9%)	8%	4%
Profitablility	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
ROA	7%	6%	3%	4%	2%	1%	(1%)	(3%)	2%	1%
ROTA	7%	6%	3%	4%	2%	1%	(1%)	(3%)	2%	1%
ROE	10%	9%	5%	6%	3%	1%	(1%)	(4%)	3%	1%
ROIC	8%	9%	3%	6%	3%	5%	(1%)	(2%)	3%	1%
Leverage	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
D/E	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Interest Coverage	208.0	10.6	7.0	8.8	4.9	5.4	2.1	1.8	3.6	3.7
Net Debt/EBITDA	0.8	0.6	1.2	2.0	2.5	1.9	5.1	4.5	2.0	(0.2)
Free Cash Flow	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
FCF	90680	97725	(92078)	(132605)	74	91448	95472	482022	612154	451813
Net Income	514749	450404	264583	317687	183413	63362	(61611)	(204718)	166235	73941
FCF/NI	18%	22%	(35%)	(42%)	0%	144%	(155%)	(235%)	368%	611%

Relevant Financial Metrics

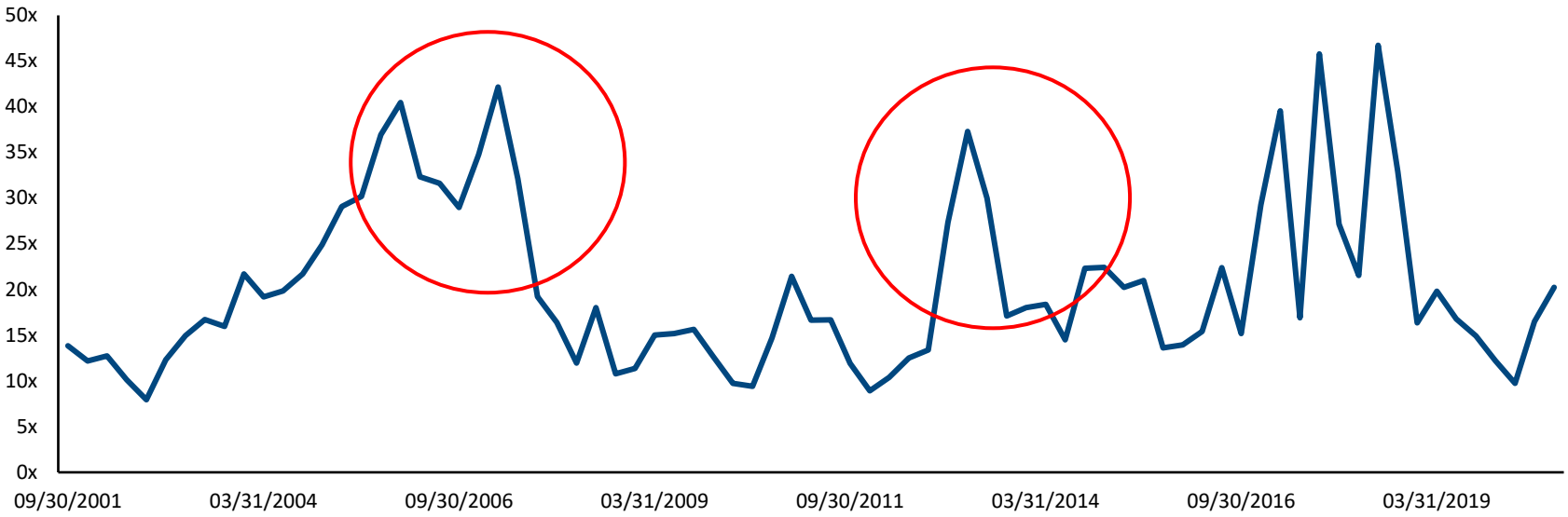
Profitability	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Margin	48%	44%	40%	36%	41%	37%	34%	36%	30%	28%
EBIT Margin	22%	21%	12%	11%	2%	9%	-6%	-6%	3%	5%
EBITDA Margin	34%	33%	24%	22%	16%	20%	9%	9%	19%	20%
ROIC	8%	9%	3%	6%	3%	5%	-1%	-2%	3%	1%
ROA	10%	9%	5%	6%	3%	1%	-1%	-4%	3%	1%
ROE	7%	6%	3%	4%	2%	1%	-1%	-3%	2%	1%
ROTA	7%	6%	3%	4%	2%	1%	-1%	-3%	2%	1%

Solvency	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt/Equity	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Interest Coverage	208.0	10.6	7.0	8.8	4.9	5.4	2.1	1.8	3.6	3.7

Growth	
5-yr Revenue CAGR	-5%
5-yr EBIT CAGR	-32%
5-yr EBITDA CAGR	-13%
5-yr Uranium Price CAGR	-4%

Looking at EV/EBITDA

Market re-rates CCJ as uranium prices increase



Implied multiples in our Base model					
	2021	2022	2023	2024	2025
EBITDA	$ 708	$ 1,160	$ 1,286	$ 1,327	$ 1,131
EV	$ 3,637	$ 8,439	$ 9,788	$ 11,335	$ 8,876
EV/EBITDA	5.14	7.27	7.61	8.54	7.85

If the market assigns a multiple similar to the ones in previous periods of higher uranium prices to our DCF projections, CCJ has tremendous upside…