



July 23, 2010

VIA EMAIL

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

CAMECO CORPORATION

Corporate Office
2121 – 11th Street West
Saskatoon, Saskatchewan
Canada S7M 1J3

Tel 306.956.6200

Fax 306.956.6201

www.cameco.com

c/o

Sheryl Thomson
Senior Legal Counsel, Corporate Finance
British Columbia Securities Commission
PO Box 10142 Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2
sthomson@bcsc.bc.ca

Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800 square Victoria, 22^e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
consultation-en-cours@lautorite.qc.ca

Dear Sirs/Mesdames:

CSA's Request for Comment - Proposed repeal and replacement of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101)

We are writing to provide Cameco's comments in response to the CSA's request for comments on the CSA's proposed repeal and replacement of NI 43-101. For ease of reference, we will use the defined terms contained in the April 23, 2010 CSA request for comment.

Generally, Cameco supports the proposed revisions to NI 43-101, in particular the revisions to the Current Form.

Below are Cameco's responses to the six questions the CSA requested issuers to answer.

Afterwards, Cameco provides comments on the Amended Instrument, Amended Form, Amended Companion Policy and the proposed amendment to NI 44-101.

Cameco responses to 6 CSA questions

Short form prospectus trigger

1. Do you rely on technical reports when making, or advising on, investment decisions in a short form prospectus offering? If yes, please explain how the content of a technical report, or the certification of a technical report by a qualified person, could influence your investment decisions or your recommendations.

No we do not, as we are an issuer.

However, in addition to accessing capital markets, Cameco also invests in junior uranium exploration companies. None of Cameco's initial decisions to invest were made in the context of a short form prospectus financing. However, as part of our due diligence for these initial investments, we examined the junior uranium exploration company's disclosure record, including technical reports. Cameco's initial investment decisions, therefore, are influenced by the technical reports.

2. Do you think we should keep, or eliminate, the short form prospectus trigger? Please explain your reasoning.

Cameco strongly supports elimination of the short form prospectus trigger for filing a technical report. Elimination of this requirement will be a significant benefit to issuers like Cameco as it will allow more ready access to market windows. The potential for issuer and underwriter liability for prospectus disclosure will cause these parties to ensure that the material scientific and technical information in the short form prospectus is accurate without the disclosure being supported by a current technical report.

Cameco was constrained twice in 2009 from accessing the capital markets due to the requirement to file a technical report to support disclosure in a short form prospectus.

On February 18, 2009, Cameco announced a common share bought deal after filing, on February 16, 2009, a technical report for its McArthur River mine. Market conditions were better in January 2009; however, Cameco could not proceed with the financing until the McArthur River technical report was filed.

On December 8, 2009, Cameco and Centerra announced a bought deal for Cameco's significant shareholding in Centerra and on December 14, 2009, Centerra filed the preliminary prospectus for this transaction. The technical disclosure in the preliminary prospectus relating to Centerra's Kumtor and Boroo mines was not supported by technical reports as Centerra applied for, and received, discretionary relief from the Ontario Securities Commission from the requirement to

file these technical reports with the preliminary prospectus. The reports were required to be filed prior to filing the final prospectus. Market conditions were better in late November and early December; however, the transaction could not proceed until discretionary relief was obtained and drafting of the technical reports was sufficiently advanced to be certain that they would be finalized in time to file with the final prospectus. The existence of the short form prospectus trigger was a significant impediment to executing the financing.

3. Please discuss how your answers to questions 1 and 2 might change in each of the three cases described in the table.

Cameco's answer to question 1 does not change.

Cameco's answer to question 2 changes for case 2 and does not change for case 1 and case 3. For case 2, a new technical report should be filed; however, not with the short form prospectus. Instead, it should be filed within 6 months of closing the prospectus financing. If the new scientific and technical information constitutes a material change for the issuer, we believe a technical report should be filed within the 6 month period to support this disclosure. This will provide added incentive to make sure the scientific and technical disclosure in the prospectus is accurate.

4. If we decide to eliminate the short form prospectus trigger, is the proposed guidance in subsection 4.2(13) of the Amended Companion Policy useful? Do you have any suggestions concerning this guidance?

The guidance is useful. We have no suggestions to improve it.

New exemption for property acquisition with current technical report

5. Is the proposed new exemption relating to an acquired property helpful? Is it reasonable to expect that issuers will use the new exemption in light of the attached conditions?

Yes, very helpful. Cameco strongly supports the new exemption in subsection 4.2(7) of the Amended Instrument. A properly prepared technical report takes time and effort. Giving the new owner 6 months to complete the report is the right approach.

Yes, it is. The proposed conditions are not unreasonable.

Existing exemption from site visit requirement

6. Do market participants use this exemption? Should we keep it in the Amended Instrument?

Cameco has not used this exemption. It should be retained in the Amended Instrument as we can envision circumstances where issuers may wish to rely upon the exemption.

Cameco comments on the Amended Instrument

Definition of Preliminary Economic Assessment

This definition is too broad. Studies that are not at the scoping study level could constitute a preliminary economic assessment under this definition. Leaving the definition as proposed would allow most issuers to declare their property an “advanced property” and therefore be entitled to use the proposed exemptions for advanced properties. Cameco recommends that it be a requirement of the definition that the study achieve or be greater than the standard for a scoping study.

2.3 - Restricted Disclosure

Cameco supports the amendment to allow for increased flexibility in the disclosure of preliminary economic assessments that include or are based on inferred mineral resources.

3.2 - Written Disclosure to Include Data Verification

While Cameco recognizes that this provision remains drafted the same way as it is currently appears in NI 43-101, Cameco would like to comment that this obligation is too broad. It captures any written disclosure of scientific and technical information on a mineral project on a property material to an issuer. For example, if an issuer in its interim MD&A discloses its quarterly mine production from a material property, provides a production forecast for that mine or discloses reserve or resource estimates, it would be required to include the mandated cautionary language regarding data verification. We respectfully submit that this requirement is not necessary or helpful to investors. Cameco believes that the requirement to provide the cautionary language on data verification should be limited to disclosure of material scientific and technical information relating to exploration and drilling.

4.2(8) - Change to certificate and consent requirement

Cameco supports the amendment in subsection 4.2(8) removing the requirement to file updated consents and certificates of qualified persons.

7.1 - Use of Foreign Codes

Cameco does not support the repeal of the requirement to reconcile mineral resource and reserve categories under acceptable foreign codes to Canadian Institute of Mining, Metallurgy and Petroleum Standards. This reconciliation obligation is not a significant burden and gives investors better information to compare the reserves and resources of Canadian and foreign issuers.

Cameco comments on the Amended Form

Instruction 3 – Intended Audience - Investing Public and their Advisors

Cameco does not agree that the intended audience is the investing public and their advisors (stock brokers). Cameco does not think the investing public and their advisors rely upon technical reports to make an investment decision. Cameco believes the intended audience is regulators and analysts. A technical report is an expert report that supports technical disclosure made by an issuer. It is the required homework required to confirm and verify certain technical disclosures made by an issuer.

Instruction 3 - Plain Language

Cameco does not support the new instruction that technical reports, to the extent possible, be written in plain language. Technical reports, by their nature, do not lend themselves easily to being written in plain language.

To do so will require significant additional time and resources. This is a luxury that does not exist when technical reports are written. Generally, technical reports are completed on a just-in-time basis. Moreover, the engineers, geologists and geo-scientists who write technical reports are not trained to write in plain language. Professional writers would have to re-write technical text prepared by qualified persons, which increases the possibility of error or mischaracterizing technical concepts. To comply with this instruction will be a significant burden to issuers which is not warranted considering the limited audience (analysts and regulators) who actually read a technical report.

Item 3 – Reliance on Other Experts

Cameco agrees that the qualified person should be able to rely upon the issuer, as well as other experts, for information concerning legal, political, environmental or tax matters relevant to the technical report.

Cameco believes the qualified person should also be able to rely upon an expert or the issuer for the market studies and contract information required by item 19 of the Amended Form. However, with the removal of “other issues and factors relevant to the technical report” from item 3 of the Amended Form, this no longer seems to be permitted.

Item 11(c) – Remove reference to estimation process

In the second line, Cameco believes the reference to estimation process is inappropriate. Cameco recommends that the second line should be revised to read (change in bold): “... to provide adequate confidence in the data collection and **data processing;**”

Item 15(a) – Remove reference to preliminary feasibility and feasibility study

Cameco recommends that the words “used in the preliminary feasibility or feasibility study” be removed as the words are not necessary to achieve the regulatory objective. Moreover, preliminary feasibility studies and feasibility studies are not updated on an ongoing basis. Instead, issuers undertake the costly exercise of preparing these studies only once. The assumptions, parameters and methods contained in the preliminary feasibility study or feasibility study and used for the initial reserve estimate will evolve over time and could be significantly different, especially for mines with an extended mine life. If these words remain, in order to comply with the requirement, issuers may have to undertake the costly exercise of updating these studies, which would be a significant new regulatory burden, as this is not current industry practice.

Item 19(a) - Market Studies

This item is too broad and prescriptive. In particular, Cameco objects to the requirement to publicly disclose the results of “market studies, commodity price projections, product valuation”, which would include internally prepared Cameco studies. Because these internally prepared studies are so commercially sensitive, Cameco has never publicly disclosed them. Doing so would cause Cameco significant economic harm.

Cameco’s uranium sales to its utility customers would be negatively affected by the new proposed disclosure. Cameco sells its uranium to utilities under long term contracts. Cameco’s contracting strategy, of course, is based on its long term projection for uranium prices. If Cameco’s customers had access to Cameco’s internally prepared uranium price projections, they may significantly change their approach to buying Cameco’s uranium.

Cameco also would experience significant economic harm from the new disclosure requirement because its competitors would know Cameco’s long term view of the uranium market. The uranium production industry is international in scope with a small number of companies selling uranium to utility customers. 83% of estimated 2009 production was marketed by seven producers; Cameco accounting for about 16% of that production. Competitors may alter their production strategy (expanding production sooner or later) and their approach to uranium contracting if they were aware of Cameco’s long term view of the uranium market.

Disclosure of internally prepared uranium price projections also raises significant competition law concerns. With the small number of uranium producers as noted above, providing these uranium price projections may be considered “price signaling”, which could violate competition law.

Item 25 - Interpretation and Conclusions – create a new item “Project Risks”

Cameco recommends creating a new item, entitled “Project Risks”, and moving to this new item the requirement to discuss risks and the reasonably foreseeable impact of those risks as described in the second and third sentence of item 25. In this item 25, the qualified person should summarize his or her major conclusions about the mineral project and such conclusions could be obscured or misinterpreted as being unduly negative due to the detailed risk discussion required by the second and third sentences of item 25.

Cameco’s technical reports take this approach by including a standalone project risk section. Cameco’s March 31, 2010 Cigar Lake technical report included in the summary a section called “Project Risks” and a section in “Other Relevant Data and Information” called “Project Risks”.

Cameco comments on the Amended Companion Policy

General Guidance 5(e)

To clarify the scope of 5(e), Cameco recommends that this section be revised to read (changes in bold): “several non-material properties in **a geological** area or region, when taken as a whole, could be material to the issuer.”

2.1(3) - Use of Plain Language

Cameco’s comments above on the Amended Form on plain language also apply to this guidance on the use of plain language in technical reports.

4.2(6) - Shelf Life of Technical Reports

Generally, this guidance is helpful. Cameco agrees that the economic information in a technical report can quickly become outdated. However, the guidance seems to imply that if the economic information is outdated, issuers should file a new technical report, which Cameco does not believe is appropriate.

The guidance should be amended to clearly state the fact that economic information becoming outdated does not, in itself, trigger an obligation to file a new technical report. Only if the issuer discloses new material scientific and technical information which represents a material change for the issuer, which can include new economic information, is a new technical report required.

6.1(1) - Summary of Material Information

Cameco’s comments above on the Amended Form on the target audience also apply to this guidance.

Cameco comments on the proposed NI 44-101 amendment

Cameco supports the NI 44-101 amendment that allows the consulting firm, whose employee prepared a technical report, to consent to the use of the technical report for a short form prospectus, where the employee is not available or no longer employed by the consulting firm.

Cameco recommends that this amendment be extended to allow issuers, in the same circumstance, to consent to the use of internally prepared technical reports for a short form prospectus.

For a prospectus financing, there should be no difference in the regulatory outcome just because the issuer elected to have its technical report prepared by internal qualified persons. The rationale articulated by the CSA to provide the consulting firm the ability to grant the consent applies equally to the issuer for internally prepared technical reports.

We thank you for the opportunity to provide comments on the proposed amendments. If you have any questions or comments, please contact Larry Korchinski at (306) 956-6373 or Holly Ward at (306) 385-5244.

Yours truly,

“Larry Korchinski”

Larry Korchinski
Director Legal Services,
Securities Compliance

“Holly Ward”

Holly Ward
Legal Advisor

LK/adb