

CAMECO CORP
Form 6-K
February 01, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 Under
the Securities Exchange Act of 1934
For the month of February, 2006**

Cameco Corporation

(Commission file No. 1-14228)

2121-11th Street West

Saskatoon, Saskatchewan, Canada S7M 1J3

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

Exhibit Index

| Exhibit No. | Description | Page No. |
|-------------|--------------------------------------|----------|
| 1. | Press Release dated February 1, 2006 | 3-4 |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 1, 2006

Cameco Corporation

By: *Gary M.S. Chad*
Gary M.S. Chad
Senior Vice-President, Governance,
Legal and Regulatory Affairs, and
Corporate Secretary

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| <u>Listed</u> | <u>Share Symbol</u> |
|---------------|---------------------|
| TSX | CCO |
| NYSE | CCJ |

web site address:
www.cameco.com

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Cameco Acquires Canadian Nuclear Fuel Manufacturer

Saskatoon, Saskatchewan, Canada, February 1, 2006

Cameco Corporation announced today it has completed the acquisition of a 100% interest in Zircotec Precision Industries, Inc. for \$108 million. Zircotec's primary business is manufacturing nuclear fuel bundles for sale to companies that generate electricity from Candu reactors.

Cameco used cash to fund this acquisition that is expected to be moderately accretive to cash flow and earnings in 2006, assuming there is no significant change to existing revenue and costs.

With this acquisition, Cameco increases its participation in the nuclear fuel cycle and now covers all phases of the Canadian industry from uranium mining through to electricity generation, said Jerry Grandey, Cameco's president and CEO. Ownership of Zircotec provides Cameco with additional growth opportunities and a new base of assets, managed by knowledgeable employees, to pursue our vision to be a dominant nuclear energy company.

Cameco, with its head office in Saskatoon, Saskatchewan, is the world's largest uranium producer. The company's uranium products are used to generate electricity in nuclear energy plants around the world, providing one of the cleanest sources of energy available today. Cameco's shares trade on the Toronto and New York stock exchanges. Statements contained in this news release, which are not historical facts, are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause such differences, without limiting the generality of the following, include: the impact of the sales volume of fuel fabrication services, uranium, conversion services, electricity generated and gold; volatility and sensitivity to market prices for uranium, conversion services, electricity in Ontario and gold; competition; the impact of change in foreign currency exchange rates and interest rates; imprecision in decommissioning, reclamation, reserve and tax estimates; environmental and safety risks including increased regulatory burdens and long-term waste disposal; unexpected geological or hydrological conditions; adverse mining conditions; political risks arising from operating in certain developing countries; a possible deterioration in political support for nuclear energy; changes in government regulations and policies, including tax and

trade laws and policies; demand for nuclear power; replacement of production; failure to obtain or maintain necessary permits and approvals from government authorities; legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the electric utility industry in Ontario; Ontario electricity rate regulations; weather and other natural phenomena; ability to maintain and further improve positive labour relations; operating performance, disruption in the operation of, and life of the company's and customer's facilities; decrease in electrical production due to planned outages extending beyond their scheduled periods or unplanned outages; success of planned development projects; terrorism; sabotage; and other development and operating risks.

Although Cameco believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this report. Cameco disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

- End -

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Lillie

Media inquiries: Lyle (306) 956-6316
Krahn

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