

CAMECO CORP
Form 6-K
December 06, 2005

**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 December, 2005**

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

| <u>Exhibit No.</u> | <u>Description</u> | <u>Page No.</u> |
|--------------------|---|-----------------|
| 1. | Press Release dated December 6, 2005 | 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: December 6, 2005

Cameco Corporation

By:

Gary M.S. Chad"

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

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

web site address:
www.cameco.com

2121 1st Street West, Saskatoon, Saskatchewan, S7M 1J3 Canada
Tel: (306) 956-6200 Fax: (306) 956-6201

Cameco Sells Shares in Australian Company

Saskatoon, Saskatchewan, Canada, December 6, 2005

Cameco Corporation announced today it has agreed to sell, subject to customary closing conditions, its entire 6.7% interest in Energy Resources of Australia Limited (ERA), a uranium producer listed on the Australian Stock Exchange. The sale of Cameco's 12.8 million ERA shares will result in gross proceeds of \$121 million in Australian dollars. After estimated transaction fees and taxes, Cameco's net proceeds will be approximately \$87 million in Canadian dollars, based upon current exchange rates. The impact on net earnings will be approximately \$69 million in Canadian dollars after deducting the \$18 million carrying value of the investment. Cameco expects to receive cash from the sale of its ERA shares on December 12, 2005.

The ERA shares which were sold have not been and will not be registered under the US Securities Act of 1933, as amended, and cannot be offered or sold in the United States to any person absent registration or an applicable exemption from registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction.

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 -

Inquiries: Lyle Krahn (306) 956-6316