



## Will Cameco (TSX:CCO) Really Make You Rich?

### Description

There are few opportunities out there that could truly make you rich, and most of them are quite risky. **Cameco Corporation** ([TSX:CCO](#))([NYSE:CCJ](#)) is no exception, but there has been a lot of talk recently about this company being due for a huge jump in share price over the next few years — myself included.

But could Cameco really make you *rich*? A number of things would have to happen to reach that category, so let's take a look.

### The bull side

Part of the reason many analysts are saying Cameco is due for a jump is the news that nuclear power reactors are starting up again. Beyond that, that there are a bunch of reactors being built or scheduled to be built over the next few years that could really set things in motion.

Most notably: China. China has made plans to quadruple its nuclear fleet to take the country away from coal — and send uranium prices through the roof. This would be amazing for Cameco, the world's largest producer of uranium.

Investors have already started to get excited, as the share price has slowly and steadily started to rise from the depths, along with [the price of uranium](#). Once trading at \$55 per share, the stock is now at \$15.59 at the time of writing. But this is still an improvement from the \$10 per share it once traded at only a few years ago.

### The bear side

But are investors getting ahead of themselves? Some analysts believe the answer is yes. While Cameco is definitely the largest producer, with mines in place ready to fire up production [at the lowest-cost](#), after the Fukushima disaster uranium supplies are still at an all-time low.

This means that while the price of uranium will be high since the demand will be there, uranium producers will seriously struggle to keep up. This alone might turn off countries from going nuclear, never mind the fear of another disaster like Fukushima.

Finally, with everything hinging on China, if the company decides to go in another direction, or simply not open as many reactors, this could seriously cost Cameco and other uranium miners. That's exactly why they haven't started producing at full steam ahead with the news of the Chinese fleet. If something goes wrong, it could put them in a horrible position of tons of uranium with nowhere to sell it.

## Bottom line

Going back to the beginning, there is still an opportunity here, but one that likely won't see much increase for a number of years. If you're willing to wait in hopes that this was the chance to get in on the ground floor, then you could definitely could get rich again.

If this stock gets back to where it was pre-Fukushima, you're looking at a share increase from \$15 to \$55, which means you could turn a \$27,270 investment into \$100,000 over the next few years. Or you could take your entire TFSA room and put \$63,500 down on this stock, with the potential to turn it into \$232,833. That's definitely nearing the "rich" category.

But if you want this stock to get into the millionaire range, it's going to take a long time or a huge investment, to get there. You would have to put say \$75,000 down on this stock and wait until it reaches \$200 per share to get to that \$1,000,000 mark, and I'm not sure this stock has it in it.

So while this stock is likely to receive a bump in its future, I'm not so sure you'll get rich on it, but you'll definitely make some cash.

### CATEGORY

1. Investing
2. Metals and Mining Stocks

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