Cue Resources Ltd. Receives Positive Pump Test Results at the San Antonio Uranium Deposit

13.04.2011 | Marketwired

VANCOUVER, April 13, 2011 - Cue Resources Ltd. (TSX VENTURE: CUE) (“Cue“ or the “Company“) is pleased to announce positive results from the recently completed pump test on the Company's San Antonio uranium deposit, at the Yuty Project, in Paraguay. Based on the aquifer properties and recovery and injection rates, along with previously reported successful metallurgical testing (see release dated March 17, 2009), these results indicate that the uranium at San Antonio can be extracted using the ISR (In Situ Recovery) process.

“These results met our expectations, by confirming previous laboratory testing, and support our efforts to advance the project as an in situ recovery operation,“ stated Chris Healey, P.Geo, & Director. “We have demonstrated that lixiviant (a liquid medium used to selectively extract uranium from ore bodies) can be pumped through the aquifer at commercial rates allowing excellent retention time for the lixiviant to contact the uranium and aid in an efficient extraction process.“

The purpose of the pump test was to determine the properties of the sandstone that hosts the aquifer and the uranium deposit. Previously reported laboratory testing indicated that the aquifer has similar properties to several commercial in situ leach uranium operations in the Powder River Basin in Wyoming.

The test was carried out by pumping water out of one well, and observing the drawdown and the rate of recovery in seven surrounding wells, for a total of six days (one day pre-pumping monitoring, two days of pumping and three days of recovery). The results show connection between the pumping well and each monitoring well, even to the farthest well at a distance of 157m.

The transmissivities calculated from the aquifer test by the straight-line method ranged from 2.3 to 6.7m2/day, with an average of 3.7m2/day. The average hydraulic conductivity based on the aquifer thickness of 46m (151 ft) was computed from the average transmissivity and is 0.07m/day (0.25 ft/day). This hydraulic conductivity is comparable to hydraulic conductivities at several commercial ISR projects in the Powder River Basin in Wyoming.

The field work, data analysis and reporting were carried out by Hydro Engineering LLC of Casper, Wyoming.

Summary of Aquifer Properties
Well Distance
from
Pumping
Well Transmissivity Cooper
&
Jacob factor
for
transducer
drawdown
and
recovery
Theis recovery
(gpd/ft) Transmissivity Storage
Coefficient
m ft m2/day gpd/ft gpd/ft m2/day
371T132 - - - - 136 136 - - 1.02
1001 17.7 58 1.62 130 179 185 2.3 2.30E-04 1.04
1072 18.3 60 2.6 209 233 273 3.39 4.30E-04 1.07
1005 47.9 157 2.7 217 272 249 3.09 1.10E-04 1.05
1087 62.2 204 4.18 336 310 296 3.68 6.00E-04 1.04
1011 113 371 16.2 1304 1100 # # # -
1006 32.6 107 2.88 232 242 220 2.73 9.90E-04 -
1003 34.9 111 6.18 497 529 489 6.08 2.90E-04 -
Average: 285 3.54 2.00E-04

Note: # =did not calculate because time was not large enough for this method

The Company also announces that David McAdam has joined Cue Resources as chief financial officer and Christina Boddy as corporate secretary. Mr. McAdam is an experienced CFO, with transformation and operational experience in the mining sector and internationally. Mr. McAdam has held various senior financial and operational positions ranging from CFO of start-up companies listed on the TSX Venture Exchange through to vice-president operations and finance director of a Fortune 150 company based in Houston, Tex. Ms. Boddy is a member of the Canadian Society of Corporate Secretaries and has worked with several public and privately held companies across varied industries.

Mr. McAdam is replacing Jon Lever as CFO, and Ms. Boddy replaces June Hamilton as corporate secretary, effective April 1, 2011. Cue wishes to thank Mr. Lever and Ms. Hamilton for their contributions.

Chris Healey, P.Geo, a Director of Cue Resources, is the qualified person responsible for the technical content of this release.

San Antonio Deposit

The San Antonio Deposit consists of a current NI 43-101 compliant resource, Indicated, 9.0M tonnes @ 0.042% eU3O8 containing 8.3M lbs eU3O8 and an Inferred Resource of 1.1M tonnes @ 0.050% eU3O8 containing 1.2M lbs eU3O8. Column leach tests have demonstrated recovery of up to 86% of the contained uranium from cores taken from San Antonio.

About Cue Resources

Cue Resources Ltd. is focused on developing the Yuty Uranium District in south-eastern Paraguay. For detailed information, please see the Cue web site at www.cue-resources.com.

On behalf of the Board of Directors

Robert S. Tyson
President and Chief Executive Officer

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact Information

Nicola Street Capital Inc.
Mark Prosser, Investor Relations
604-568-2080
mark@ns-cap.com