Cue Resources Ltd. Increases Grade and Resource at Yuty Uranium Project

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Highlights:
- 23% grade increase for Indicated and Measured Resource
- 7% increase in metal content for Indicated and Measured Resource
- Inferred Resource increased 86%

VANCOUVER, July 13, 2011 - Cue Resources Ltd. (TSX VENTURE: CUE) - Cue Resources Ltd. ("Cue" or the "Company") is pleased to announce a significant increase to the Mineral Resources at the Company's Yuty Project (San Antonio Zone) located near Yuty, Paraguay. Compared to the previous estimate, the grade of the Measured and Indicated Resource has increased by 23%, and the metal content in these categories has increase by 7%. As well, the metal content of the Inferred Resource has almost doubled.

The classification of the Mineral Resource is based on the spread in confidence around the 90% confidence limit. The current Mineral Resource estimate includes resources in the categories of Measured, Indicated and Inferred, as follows:

11 July 2011 Mineral Resource Category Tonnes (million) Grade eU3O8(%) eU3O8 (million lbs) Percent Increase Grade Percent Increase lbs
Measured 2.054 0.062 2.801
Indicated 5.783 0.048 6.113
Measured + Indicated 7.837 0.052 8.914 23% 7%
Inferred 2.139 0.047 2.226 -4% 86%

Notes
1. Tonnes and element lbs's have been rounded-off to the appropriate level of accuracy.
2. Resource estimate completed at a 0.02% eU3O8 data and aerial boundary cut-off.

"We are very pleased to show significant growth in our uranium resource and average grade at Yuty," commented Robert Tyson, President and CEO for Cue: "Of equal significance is the discovery of multiple vertical horizons and other lithographic information that will help us surgically target our ongoing drilling at San Antonio. This information, combined with the positive results from our pump test (April 2011) and grades comparable to some IRS producers, give us great confidence to continue to advance the San Antonio zone toward our goal of commercial viability."

The new mineral resource estimate was based on the development of a three dimensional geological and Resource model. The geological model was based on a uranium radiometric drill hole value cut-off of 0.02% (eU3O8) at a minimum thickness of 0.1m. This facilitated the creation of the mineralized zone aerial extent. Resource estimation was completed utilizing standard geostatistical methods applied to a 3-dimensional block model in Datamine™ mining and exploration modeling software.

The previous estimate (see release dated April 16, 2009) was completed as a two dimensional estimate utilizing the GT Contour Method resulting in an estimated Indicated Resource totalling 9.0 M tonnes at an average grade of 0.042% eU3O8 for a total of 8.3M lbs contained eU3O8 and an additional Inferred Resource totalling 1.1 M tonnes at an average grade of 0.050% eU3O8 for a total of 1.2M lbs contained eU3O8.

The Yuty Uranium Project comprises multiple stacked uranium mineralized zones. There are 3 main mineralized zones, an upper, an intermediate and a lower. There are however up to three thinner intermediate zones that also occur within the main mineralized zone. The upper mineralized zone occurs throughout the deposit whereas, the intermediate and lower mineralized zones occur sporadically throughout the area. The entire mineralized zone with its intermediate waste reaches a mean thickness of 7.1m. The upper and lower portions are the thickest mineralized zones. These zones vary from 0.1m – 15m in thickness with mean thickness values of 2.3m and 1.0m respectively.

The mineralized zones were ordinary kriged in layers individually by placing the drill hole composites at a common datum for each respective mineralized zone. The variography is based on average layered variograms interpreted for each of the 3 geological domains identified from the ore body morphology.

Reconciliation of the estimate versus actual borehole composites was completed by means of visual inspection, swath trend analysis and linear regression of the values. These regressions produced coefficients of determination (R2) of between 0.94-0.99.

The reported resource conforms to the Standards of Disclosure for Mineral Properties as stated in National Instrument 43-101. The estimate was completed by BRS Inc., of Riverton Wyoming in association with ExplorMine Consultants, South Africa. Doug Beahm P.E, P.G., president of BRS, is the independent qualified person responsible for this estimate, and will be the lead author of a technical report which will be filed on SEDAR within 45 days of the date of this release.

As with the previously reported Mineral Resource, a minimum cut-off grade of 0.02% eU3O8, however no minimum thickness was applied. Studies to date indicate that the deposit may be amenable to extraction by in situ recovery (ISR) methods.

Cue also announces the resignation of Dorian (Dusty) Nicol from the Company's Board of Directors effective July 12, 2011. The Board and management of Cue thank Dusty for his valuable input while serving the Company.

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

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein. This News Release includes certain "forward-looking statements". All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding potential mineralization and reserves, exploration results, and future plans and objectives of Cue, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Cue's expectations are exploration risks detailed herein and from time to time in the filings made by Cue with securities regulators.

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.

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