

This is the form of a material change report required under section 85 (1) of the *Securities Act* and section 151 of the *Securities Rules*.

**BC FORM 53-901F
(Previously Form 27)**

Securities Act

MATERIAL CHANGE REPORT

Item 1: Reporting Issuer

CUE CAPITAL CORP. 3rd Floor – Bellevue Centre 235-15th Street, West Vancouver, BC, V7T 2X1

Item 2: Date of Material Change

May 11, 2007

Item 3: Press Release

May 11, 2007

Item 4: Summary of Material Change

CUE CAPITAL CORP SIGNS DRILLING CONTRACTS FOR THE YUTY URANIUM PROJECT, PARAGUAY

Item 5: Full Description of Material Change

Cue Capital Corp. (CUE/TSX.V) “Cue” is pleased to announce that contracts have been signed for two drill rigs to work on the Yuty Uranium property in the Republic of Paraguay, with drilling expected to commence early June 2007. The contracts have been signed between Empire Drilling, of Lima Peru, and SEMINSA, the project operating company in Paraguay. Cue has the right to earn a 70% interest in the Yuty Concession through ownership of 70% of the issued and outstanding shares of Transandes Paraguay, S.A. (Transandes) as provided for in the earn-in agreement.

As previously announced, the property covers approximately 236,000 hectares which are considered highly prospective for the discovery of economic uranium. The San Antonio zone, which covers a very small portion of the whole Yuty property, has been extensively drilled in the past with highly encouraging results. Following extensive regional reconnaissance drilling, 266 drill holes were completed in this area in the period 1980 – 1982. This will be the area for the initial drilling.

103 of the 266 holes drilled on the San Antonio zone encountered significant mineralization ($\geq 0.03\%$ eU₃O₈ over 0.60m). Twenty-four of these holes had grades in excess of 0.10% eU₃O₈ with thickness up to 12 meters. The term “eU₃O₈” refers to equivalent uranium, estimated by down-hole logging with a gamma-ray tool. It is believed that Anschutz, the operator from 1976 to 1983, used North American industry standards to log the holes.

Anschutz Corporation, the operator from 1976 to 1892 identified a roll front system in San Antonio zone over a strike length of approximately 7 kilometers, with widths of 10-60 m, and open along strike to both the north and south. At that time Anschutz speculated that approximately 2 million pounds of U₃O₈ per kilometer of strike length

may be present at San Antonio, for a total potential of 14 million pounds U₃O₈ in the area. The potential quantity is conceptual in nature, there has been insufficient interpretive work to define a mineral resource and it is uncertain if further work will result in the zone being delineated as a mineral resource.

The planned program includes 3000 meters of core drilling, stepping out from the better mineralized areas, to validate the previous drilling from the 1970's and early 1980's, as well as to provide samples for disequilibrium testing and physical property testing.

This will be followed by a planned 15,000 - 20,000 meter program of step-out and in-fill drilling. The drilling will initially be carried out by diamond drill rigs. The use of mud/air rotary drilling is contemplated in the future for this type of drilling.

Future plans include extensive drill testing of five other high priority targets identified by Anschutz, as well as on-going regional studies to develop additional targets.

Chris M. Healey, P.Geo, COO for Cue, commented "The signing of drill contracts is a significant milestone in the progress of this project. With all the logistical plans in place, we are now eagerly anticipating the start-up of the drilling in the near future."

Chris M. Healey, P.Geo is the qualified person responsible for the technical information contained in this release.

Item 6: Reliance on section 85 (2) of the Act

N/A

Item 7: Omitted Information

N/A

Item 8: Senior Officers

RAHOUL SHARAN - President/CEO

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, British Columbia this 11th day of May 2007.

'Rahoul Sharan'

RAHOUL SHARAN - President/CEO