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**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

**CUERVO REPORTS INITIAL RESOURCE ESTIMATE ON ORCOPURA ZONE:  
60.5 Mt GRADING 51.5% Fe (“INFERRED”) AT CERRO CCOPANE IRON PROJECT  
IN PERÚ**

July 31, 2008 – Toronto, ON

Cuervo Resources Inc. (CNQ-IRON; FWB-CRR; “Cuervo” or the “Company”) is pleased to report that the initial mineral resource estimate on the Orcopura Zone at its wholly owned Cerro Ccopane iron ore project in southern Perú stands at 60.5 million tonnes (“inferred”) grading 51.5% Fe. This study, prepared by Gateway Solutions S.A.C. (“Gateway”) of Lima, Perú, includes results from the first 73 drill holes over a mineralized strike length of over 700 m. The Orcopura zone is the first of the five zones identified on the property to be drilled; to date a total of 115 drill holes has been put down on this zone of mineralization which is now known to have a strike length of at least 900 m. A program of additional rock density analyses, seen as a limiting factor to the current resource classification (*i.e.*, “inferred”), is being instituted by the Company. An updated resource figure incorporating all additional data will be produced in the coming weeks. Management is of the opinion that, with this minimal amount of ancillary information, all resources can be upgraded to the “measured” category.

**TECHNICAL RESULTS**

The mineral resource was estimated using the cross-sectional method constrained by 19 cross-sections presenting the interpreted geology and the location of the mineralization. A cut-off grade of 45% percent iron, based on open pit mining and an economic iron recovery, was used. Two mineralized domains were identified based on the geochemical characteristics of the mineralized intersections: (i) iron mineralization ( $\text{Fe} \geq 45\%$ ) and (ii) sulphur-bearing iron mineralization (*i.e.*,  $\text{Fe} \geq 45\%$ ;  $\text{S} \geq 2.5 \text{ wt } \%$ ). The domain boundaries were determined by interpreting the available lithological, geochemical and structural data.

The Mineral Resources have been classified by Gateway as “inferred” as determined by their interpretation of nomenclature defined by the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) in CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by CIM Standing Committee on Reserve Definitions. The associated Technical Report has been written according to the guidelines of National Instrument 43-101 (“NI 43-101”).

Gateway concluded that the Cerro Ccopane – Orcopura resource displays good continuity of mineralization from section to section for more than 700 m and that the property currently holds a Mineral Resource of 60.5 million tonnes at an estimated average content of 51.5% Fe using a cut-off grade of 45% Fe and an estimated rock density of 3.9 g/cm<sup>3</sup>.

Two diamond drills are currently operating on the property; one drill is completing the current program at Orcopura while a second has commenced drilling on the Huillque zone. Initial results from the Huillque zone are expected to be released in August. The Company is in the process of exchanging a third drill for one of higher capacity; this will be supplied from a current contractor to the Company. Results from the drilling program have been announced in twelve press releases between October 22<sup>nd</sup>, 2007 and July 2<sup>nd</sup>, 2008 that included intersections of up to 57.31% Fe over 131.25 m (ODH – 01), 41.29% Fe over 356.50 m (ODH – 33) and 51.70% Fe over 361.30 m (ODH – 70).

All drill holes were logged and sampled at the property campsite on the property under the direction of the Company's Peruvian subsidiary's (Minera Cuervo S.A.C.) senior geologist, ing. Abraham Castillo Ll. A nominal sampling interval of 1.5 m is currently being used within sections of typical iron mineralization. Analyses were performed by SGS Minerals Services at their laboratory facilities in Lima (Callao), Perú. The reported Iron (Fe) analyses were determined by titration methods, sulphur (S) was carried out with a LECO furnace. All other reported analyses, which include phosphorus (P), manganese (Mn) and copper (Cu), were by performed ICP-AES after a multi-acid ("total") digestion. Laboratory check analyses were performed on approximately 10% of the samples submitted while field duplicate samples are submitted on a rate of approximately 5% of the total samples sent to the laboratory. The Company is satisfied with the reproducibility of analyses for the elements reported.

Most intersections of iron mineralization (magnetite +/- hematite) continue to report relatively high sulphur and copper values. The Company has carried out preliminary low-intensity magnetic separation (Davis Tube) testing on selected samples from the early stages of the exploration program. The preliminary Davis Tube results indicate that most of the contained sulphur-bearing minerals as well as the copper can be removed with limited processing while producing a very high-grade iron ore concentrate. Silica values were also found to be within acceptable limits by analyses carried out as part of this testing. Dr. Ekkehart Mertins, the Company's advisory board expert in iron ore mineral processing, has recently made a visitation to the Project to coordinate a program of expanded metallurgical testing.

In addition at this time, the Company's advisory board specialist in transportation, Mr. Frank Hanson, is in the process of sourcing out participants to prepare a detailed transportation study for the Cerro Ccopane property area. As well, the environmental permitting process for the advanced exploration of the Aurora zones of mineralization is progressing.

Mr. Luc Pigeon, P.Geo., of Gateway Solutions S.A.C. is the qualified person under the definition of NI 43-101 responsible for the Company's independent mineral resource estimate reported on herein.

The Company would also like to report that, pending Board approval, a total of 210,000 options to purchase shares will be issued to consultants to, and personnel of, Minera Cuervo S.A.C. in

Perú. These options will be exercisable at a price of \$1.35 for a period of five (5) years from the date of issuance.

The Company has 30,179,750 shares outstanding (41,686,000 fully diluted).

For further information, please contact Mr. John Siriunas, President, at 416-203-3957 x701 or Mr. Tom Berner, Investor Relations, at 416-203-3957 x202. Additional information about Cuervo can be found at the Company's website at [www.cuervoresources.com](http://www.cuervoresources.com).

*The Canadian Trading and Quotation System Inc. has neither approved nor disapproved of the contents of this press release.*