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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

CUERVO ANNOUNCES AMENDMENT TO OUTSTANDING WARRANTS

August 31, 2011 – Toronto, ON

Cuervo Resources Inc. (CNSX-FE; FWB-CRR; “Cuervo” or the “Company”) wishes to announce that it is amending, effective September 1, 2011, the term of the outstanding Cuervo common-share purchase warrants which were issued pursuant to a private placement on May 26, 2010. In particular, the term of the warrants will be extended by one (1) year from 5:00 p.m. (Toronto time) on November 26, 2011, to 5:00 p.m. (Toronto time) on November 26, 2012, subject to rights and obligations to accelerate the expiry date of the warrants. The exercise price of the warrants (\$CDN 0.55 per share) will remain the same and a total of 1,841,000 warrants will be affected by this amendment. Under the original terms of the warrants, Cuervo has the right to, on the date that is thirty (30) days after the date of written notice given by the Company to the holder of the warrants that the Common Shares have traded on a securities exchange at a closing price of \$CDN 1.10 or higher for ten (10) consecutive trading days, provided that any such notice may not be given during the period commencing on the date of issuance of the warrants and ending on the date that is six (6) months after the date of issuance of the warrant, at any time in its sole discretion, accelerate the expiry date of the warrants to a date which is 30 days from Cuervo’s notification to warrant holders. This right of acceleration will remain applicable to the amended warrants.

Cuervo is focused on the exploration for iron ore in Perú and currently holds an interest in over 20,000 ha of prospective mineral exploration lands in that country through its wholly owned subsidiary, Minera Cuervo S.A.C. The Company recently closed an investment agreement with Strike Resources Limited (ASX:SRK; “Strike”). Under the terms of the agreement Strike is providing financing of up to \$CDN 15 million to Cuervo to fund advanced exploration work on the Company’s Cerro Ccopane iron ore exploration project in the Cusco area of southern Perú. The companies believe that a cooperative exploration effort between Cuervo and Strike will be strategic to the development of the iron ore resource potential of Perú.

Cuervo common shares are listed on the Canadian National Stock Exchange (CNSX), and also trade on the Frankfurt Stock Exchange (FWB). The Company has 36,334,750 shares outstanding (76,923,473 fully diluted). For further information, please contact Mr. Brian Berner, a director and CEO of Cuervo, at 416-203-3957 ext 201 or Mr. Tom Berner, Investor Relations, at 416-203-3957 ext 202. Additional information about Cuervo can be found at the Company’s website at www.cuervoresources.com.

The Canadian National Stock Exchange (CNSX Markets Inc.) has neither approved nor disapproved of the contents of this press release.