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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**CUERVO RESOURCES PROVIDES EXPLORATION UPDATE ON CERRO CCOPANE
IRON ORE PROJECT IN PERÚ**

January 31, 2012 – Toronto, ON

Cuervo Resources Inc. (CNSX:FE; FWB:CRR; “Cuervo” or the “Company”) is pleased to provide this update of its ongoing iron ore exploration program at its wholly owned Cerro Ccopane project 65 km south of Cusco in southern Perú.

The Cerro Ccopane property covers 14,000 ha of contiguous mineral concessions with an additional 3,300 ha of mineral concessions in its vicinity. Diamond drilling (21,000 m) in four zones of magnetite mineralization has shown consistent, high-grade results and all zones have been shown to exhibit the same geophysical expression. The Orcopura Zone, where the majority of the drilling has been performed, has a reported National Instrument (“NI”) 43-101-compliant Mineral Resource Estimate of 55.5 Mt “measured and indicated” grading 46.8% Fe in addition to 50.8 Mt “inferred” grading 43.7% Fe.

Ground geophysical surveys (magnetic and gravity) have identified two additional primary target zones on the property (designated the “Bob 1” and “Huillque Norte” anomalies), each with gravity-modelled tonnage estimates in excess of one billion (1,000 million) tonnes. *This potential quantity of mineralization, of undetermined grade, is conceptual in nature, and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the target being delineated as a mineral resource.* Recent field investigations have indicated that the “Bob 1” zone is marked by the extensive outcroppings of magnetite typical of other known zones of mineralization on the property. An up-to-date NI 43-101 disclosure report is in preparation.

In July, 2011 the Company secured a \$15 million two-stage financing from Strike Resources Limited (ASX: SRK; “Strike”) to fund the advanced exploration on the Cerro Ccopane project. Strike itself is an important explorer for iron ore in southern Perú through its interest in Apurímac Ferrum S.A.C. 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.

Since August of 2011, Cuervo has focused on completing agreements with the local campesino communities to allow access to their surficial land holdings. Such agreements with the local communities have been challenging to achieve. Nonetheless, this month, Cuervo was successful in signing a three-year agreement with the Misanapata community to conduct advanced exploration, including diamond drilling, on the “Bob 1” anomaly. An agreement with the

Huillque community to build a 15 km access road to “Bob 1” has been obtained while other discussions continue with the community.

Cuervo has also been granted, by the Government of Perú, the necessary environmental permitting for a period of three years to carry out exploration on “Bob 1”(Constancia de Aprobación Automática N° 010-2012-MEM-AAM).

The Company is currently completing an access road to the “Bob 1” area as well as conducting geological mapping and surface sampling/trenching over the “Bob 1” anomaly. The preparation of drill platforms is to commence shortly. Management hopes to begin drilling between March 15, 2012 and April 30, 2012 with the possibility of having three drills in operation. Management plans to be able to drill up to 1,500 m per month depending on the number of drills operating and the physical characteristics of the “Bob 1” mineralization and geology. Results should start to become available 60 to 75 days after the commencement of drilling.

Other activities to be carried out from February to June, 2012 include additional geophysical surveying over the “Bob 1” and “Huillque Norte” anomalies and possible extensions; geological mapping over the “Huillque Norte” anomaly, submission of an application for the environmental permitting of “Huillque Norte” and the continuation of negotiations with the community of Huillque for a comprehensive three-year agreement for advanced exploration on the “Huillque Norte” anomaly.

“The Cuervo team has met, and successfully dealt with, the challenges put before it in the last six months”, says Brian Berner, CEO of Cuervo. “I am pleased that this sets the stage for the Company to undertake an aggressive exploration program to determine the full potential of the Cerro Ccopane project.”

The Company has 37,684,750 shares outstanding (79,173,023 fully diluted).

For further information, please contact Mr. Brian Berner, CEO and a Director of the Company, 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.

The term “iron ore” used within this document means rocks or deposits containing compounds from which iron can be extracted. This is not meant to imply that the contained iron can necessarily be extracted at a profit. This document also contains “forward-looking information” within the meaning of Canadian securities legislation. This information and these statements, referred to herein as “forward-looking statements” are made as of the date of this news release or as of the date of the effective date of information described in this news release, as applicable. Forward-looking statements relate to future events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: (i) the amount of mineral reserves and mineral resources; (ii) expected grades of iron mineralization; (iii) the timing of the Company’s exploration programs and results therefrom; and (iv) the status of negotiations. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “anticipates”, “plans”, “projects”, “estimates”, “envisages”, “assumes”, “intends”, “strategy”, “goals”, “objectives” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”,

“might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

All forward-looking statements are based on the Company’s current beliefs as well as various assumptions made by and information currently available to them. These assumptions include, without limitation: (i) the presence of and continuity of iron mineralization at modeled grades; (ii) the capacities of various machinery and equipment; (iii) the availability of personnel, machinery and equipment; (iv) the availability and timing of laboratory analysis and reporting on drill core samples; (v) weather conditions; (vi) reasonable contingency requirements; and (vii) receipt of community and regulatory approvals on acceptable terms.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that estimates, forecasts, projections and other forward-looking statements will not be achieved or that assumptions do not reflect future experience. We caution readers not to place undue reliance on these forward-looking statements as a number of important factors could cause the actual outcomes to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates assumptions and intentions expressed in such forward-looking statements. These risk factors may be generally stated as the risk that the assumptions and estimates expressed above do not occur, but specifically include, without limitation, risks relating to variations in the mineral content within the material identified as mineral reserves and mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals and minerals markets; risks relating to fluctuations in the Canadian dollar relative to other currencies; increases in the estimated capital and operating costs or unanticipated costs; difficulties attracting the necessary work force; increases in financing costs or adverse changes to the terms of available financing, if any; tax rates or royalties being greater than assumed; changes in mineral exploration plans due to changes in logistical, technical or other factors, changes in project parameters as plans continue to be refined; risks relating to receipt of regulatory and community approvals; political risks, adverse weather conditions; risks associated with the extreme topography of the areas in which mineral exploration is conducted; operational and infrastructure risks; and the additional risks described in the Company’s annual financial statements and management’s discussion and analysis for the year ended March 31, 2011. The foregoing list of factors that may affect future results is not exhaustive.

When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on behalf of the Company, except as required by law.