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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**CUERVO REPORTS RESULTS OF CHANNEL SAMPLING AND THE STATUS OF THE
DRILLING ACTIVITY AT THE “BOB 1” ZONE
OF THE CERRO CCOPANE IRON PROJECT IN PERÚ**

July 30, 2012 – Toronto, ON

Cuervo Resources Inc. (CNSX-FE; FWB-CRR; “Cuervo” or the “Company”) is pleased to report the results from a series of channel samples on the “Bob 1” zone of its Cerro Ccopane Iron Project in southern Perú. This sampling has been carried out concurrently with a 4,500 meter diamond drilling program that began late last month.

The results of the initial drill hole and additional channel sampling will be reported in the near future.

The channel sampling was initiated to test the near surface magnetite mineralization. To date, a total of 460 m of channel sampling (360.3 m in horizontal length) has been carried out along fourteen E-W trenches (numbered “A” to “J” from south to north) across the N-S outcropping magnetite mineralization over a strike length of 1,000 m; this outcropping mineralization is exposed for at least 3 km on the Bob 1 zone.

Analytical results from the sampling of the Bob 1 zone are very similar to those encountered near surface in the other mineralized zones identified on the Cerro Ccopane property. Included are intersections of 46.44% Fe over 38 m (46.49% Fe over 35.6 m horizontal) in Trench A and 50.13% Fe over 60 m (50.08% Fe over 43.3m horizontal) in Trench D. The principal iron-bearing mineral present is magnetite. Since the mineralization dips into the side of the mountain the angle of the dip of the mineralization has not yet been determined and the widths of the sample intersections do not represent the true width of the mineralization.

Significant intersections that were sampled during the first part of this work program, as well as location maps and further information for all channel samples can be found at:

http://www.cuervoresources.com/index.php/properties/cerro_ccopane_property/

The analytical results of the first hole on BOB 1, Hole number 2 are expected from the Lima SGS laboratory early in the week of August 6th for total volumetric Fe, total S and for other elements. Split drill core samples of two additional drill holes were shipped to SGS laboratory on July 27th and the core of two other drill holes are in the Cuervo core logging and cutting facility in Cusco. The drilling continues on two additional holes on Bob1.

Of note: all the drill holes that have been completed to date (drilled) on Bob 1 contain intersections of massive magnetite of interest.

A nominal core sampling interval of 2 m is currently being used within sections of typical iron mineralization. Analyses are being performed by SGS Minerals Services at their laboratory facilities in Lima (Callao), Perú. The reported Iron (Fe) analyses is determined by titration methods, sulphur (S) is carried out with a LECO furnace. All other reported analyses, which include phosphorus (P), manganese (Mn) and copper (Cu), are analyzed by ICP-AES method after a multi-acid (“total”) digestion. Laboratory check analyses are performed on approximately 5% of the samples submitted. The Company is satisfied with the reproducibility of analyses for the elements reported.

The Bob 1 zone is considered highly prospective; geophysics (magnetics and gravity modelling) suggest an iron ore resource potential in excess of 1 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.* The Bob 1 zone hosts a broad band of magnetite outcroppings extending over 3 kilometres, the largest yet identified on the Cerro Ccopane property, and bears a geological similarity with that of three other smaller zones. Initial drilling of those nearby zones (designated Orcopora, Huillque and Aurora) was completed in 2009 and an updated NI 43-101-compliant resource estimate report was released earlier this year.

The current exploration work and content of this release has been carried out under the supervision of Mr. Velasquez Spring, B.Eng., a qualified person for Cuervo under the definition of NI 43-101.

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.