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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

CUERVO CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

May 26, 2010 – Toronto, ON

Cuervo Resources Inc. (CNSX-FE; FWB-CRR; “Cuervo” or the “Company”) wishes to announce that it has closed on a First Tranche of equity financing. Net proceeds from the financing and the current cash position will be used to continue to fund the Company’s iron ore exploration projects in Perú and to provide general working capital. The planned work program, which will include extending the existing geophysical surveys (magnetics and gravity) and environmental permitting in preparation for the diamond drilling of the known billion-tonne potential geophysical targets, will further advance the Company’s plan to form a joint-venture exploration program on Cuervo’s Cerro Ccopane project in the Cusco area of southern Perú.

Under the non-brokered private placement Cuervo has issued one million seven hundred and fifty thousand (1,750,000) Units of the Company, at a price of \$CDN 0.35 per Unit, for gross proceeds of \$CDN 612,500. Each Unit consists of one Cuervo common share and one warrant entitling the holder to purchase one Cuervo common share at a price of \$CDN 0.55 for a period of 18 months. If the closing price of the Cuervo common shares is equal to or greater than \$CDN 1.10 for a period of 10 consecutive trading days any time after six months after the closing of the Financing, the Company may, upon notice, accelerate the expiry date of the warrants to the 31st day following such notice. The Company has paid a finder’s fee of 91,000 Units in regard to the First Tranche of the financing. A Second Tranche totalling an additional 250,000 Units is expected to close in the coming days.

The securities issued in connection with the Financing are subject to a four-month hold period from their date of issuance.

Cuervo common shares are listed on the Canadian National Stock Exchange (CNSX), and also trade on the Frankfurt Stock Exchange (FWB). Post-issuance of the First-Tranche Units, there are 36,334,750 shares outstanding (46,585,750 fully diluted).

For further information, please contact Mr. Brian Berner, Chairman and CEO, at 416-203-3957 x201 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.

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