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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

CUERVO BOARD CLOSES FINANCING OF \$405,000

October 18, 2011– Toronto, ON

Cuervo Resources Inc. (CNSX-FE; FWB-CRR; “Cuervo” or the “Company”) wishes to announce that the \$CDN 405,000 in equity financing has closed. The proceeds from the financing and the Company’s current cash position will be used to continue to fund the Company’s iron ore exploration projects in Perú and to provide capital for general working purposes.

The non-brokered private placement will see Cuervo issue one million three hundred and fifty thousand (1,350,000) Units of the Company, at a price of \$CDN 0.30 per Unit, for gross proceeds of \$CDN 405,000 (the “Financing”). Each Unit will consist of one Cuervo common share and one half warrant, each one whole warrant a full warrant entitling the holder to purchase one Cuervo common share at a price of \$CDN 0.45 for a period of 24 months after the closing of the Financing. If the closing price of the Cuervo common shares is equal to or greater than \$CDN 0.90 for a period of 10 consecutive trading days any time after six months after the closing of the Financing, the Company may accelerate the expiry date of the warrants. Strike Resources Limited (ASX: SRK) has participated on a pro rata basis and subscribed to 49.2% (664,200 units). The Financing will close on or about October 17, 2011.

The securities to be issued in connection with the Financing will be subject to a four-month hold period from the date of issue.

Cuervo common shares are listed on the Canadian National Stock Exchange (CNSX), and also trade on the Frankfurt Stock Exchange (FWB). After the Financing, there are 37,684,750 shares outstanding (79,048,023 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