



65 Queen Street West, Suite 520, Toronto, ON, M5H 2M5 Canada
Tel. 416-203-3957 • Fax 416-203-4197
www.cuervoresources.com

MESSAGE TO SHAREHOLDERS

May 27, 2009 –Toronto, ON

This week Cuervo Resources Inc. celebrates its second anniversary as a public company, and it is with a measure of both satisfaction and mounting confidence that I am pleased to write to you at this time. The satisfaction reflects the extent to which Cuervo's property acquisition, drilling and related iron ore exploration programs in Perú have been pursued with due regard to the concept of shared benefits to the host communities in which we have been active. This is critically important to our long-term success. The mounting confidence I feel is tied to the results of those efforts which now give evidence that the Company's Cerro Ccopane property has the potential to contain a world-class iron ore deposit. That prospect has been given dimension by a recently completed geophysical survey of the property which reported total modeled tonnage of the anomalous zones in excess of 2.5 billion tonnes.

Our objective has been, and remains, to find and prove a billion-tonne iron deposit at Cerro Ccopane. Two years ago when we became a public company, Cuervo had a toe hold – principally mineral rights to just over 7,000 hectares of highly prospective land for iron mineralization, based on an airborne magnetic survey and ground sampling. Today, we can safely say that the toe hold has become a footprint, with a total wholly owned land position of more than 25,000 hectares (13,600 contiguous at Cerro Ccopane), consistent results in 167 holes drilled in three iron-mineralized zones and the support of positive metallurgical testing and transportation studies. Clearly, we have made real progress toward realizing our ambition. I would refer your attention to the updated PowerPoint presentation on Cuervo's website, www.cuervoresources.com for a more thorough review of your company's current position and work programs. It also puts these activities within the context of a fundamentally very strong iron ore market and the transportation cost advantages evident in Perú's Pacific-tidewater location.

Comparison – Cuervo Resources Inc. – 2007 to 2009		
	May 2007	May 2009
Hectares Owned	7,000	25,000
Holes Drilled	0	167
NI 43-101 Resource: Measured & Indicated	0	55.5 million tonnes
NI 43-101 Resource: Inferred	0	50.8 million tonnes
Geophysical Potential	300 million tonnes	2.637 billion tonnes
Metallurgical Tests	0	2
Transportation Studies	0	2
Share Price	\$0.50	\$0.49

Given the scale now indicated by geophysical modeling at Cerro Ccopane, the immediate tasks before us are: (a) prioritizing multi-discipline work programs; and (b) implementing a financing strategy which preserves upside for shareholders while remaining attractive to prospective project partners. The first of these tasks is being addressed in detail at this time. With respect to the second, early indications are that such a balance is feasible in the context of the market for prospective large-volume iron deposits.

Shareholders should note that the Company has just announced its intention to exercise the accelerated-maturity option with respect to the Warrants issued as part of its Initial Public Offering (IPO) in May 2007. The acceleration effectively provides a 37-day window (ending July 1, 2009) during which these warrants may be exercised to purchase one Cuervo common share at a price of 35 cents per share for each warrant held. Thereafter this series of warrants will expire without value. I should point out that this acceleration applies only to the IPO warrants issued in May 2007, and not to the warrants issued as part of the Company's equity financing in 2008. The latter series has an exercise price of \$1.50 and has approximately 12 months of remaining term.

In closing, I would urge holders of the warrants subject to accelerated expiry to exercise their right to purchase common shares at what is now a substantial discount to prevailing market prices. This will provide additional funding to advance the very promising potential evident in the Cerro Ccopane project. Results to date have been outstanding as we move down the road from "finding" to "proving" a commercial iron ore deposit. I would also like to take this opportunity to convey my appreciation to shareholders for their continued support, as well as to the other directors of the Company who have so actively contributed to its progress.

On behalf of the Board,

Brian Berner, Chairman