HUDSON RESOURCES INC.
* Ammended *
Management Discussion and Analysis
(Form 51-102F1)
For the Year ended March 31, 2008
Information as of July 29, 2008 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial performance and results of operations for Hudson Resources Inc. ("Hudson" or the "Company") should be read in conjunction with the Company's annual audited financial statements and notes thereto for the years ended March 31, 2008 and 2007. The material herein, as of July 29, 2008, updates the information as of February 28, 2008 contained in the MD&A in respect of the financial statements for the nine months ended December 31, 2007.

The accompanying financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles. These statements, together with the following management discussion and analysis dated July 29, 2007 are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

GENERAL

The Company is a junior mineral exploration company listed on the TSX Venture Exchange and engaged in the acquisition, exploration and development of mineral properties. It has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing; however, in the event this does not occur, there is doubt about the ability of the Company to continue as a going concern. The financial statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the periods ended March 31, 2008 and 2007 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

All dollar amounts are in Canadian Dollars unless otherwise indicated.

Overall Performance

Hudson is a mineral exploration company that, since 2002, has focused its exploration activities on the search for diamonds in the Sarfartoq region of western Greenland.

The Company is currently actively exploring in six contiguous exploration licenses totaling 2,482 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. All of its exploration licenses are 100% held by the Company.

Since the Company is in the exploration phase of its development, its results are primarily determined by its administrative expenses net of interest income. The Company's loss from operations for the year ended March 31, 2008 was $957,833, a loss of $0.03 per share, compared with a loss of $693,909 for the year ended March 31, 2007, also a loss of $0.03 per share.

The increased loss was largely the result of an increase in non-cash stock-based compensation due to options issued and vesting in this period, notably options issued to key officers, directors and consultants in June 2007 that began to vest in the first quarter of this year. Other factors causing the increased loss were an increase in management fees due to new management personnel, an increase in audit and legal fees due to changes in accounting rules and increased complexity of financial disclosure requirements and increased legal activities, the January 2007 introduction of directors' fees and the rental of new office premises in December 2006. The Company has improved its measurement of foreign exchange gains and losses arising from the timing of its foreign currency payables, and, as a result, is now showing foreign exchange amounts in its net loss. These increased expenses were partially offset by increased interest income from the investment of financing proceeds (discussed below).

The loss for the three month period ended March 31, 2008 was $341,144, compared with a loss of $262,084 for the three months ended March 31, 2007. The increased loss is due to the increase in non-cash stock-based compensation and the addition of management and administrative personnel. For this period, increased expenses are partially offset by increased interest income.

Assets increased by $6,075,280 over the previous year, from $8,227,437 at March 31, 2007 to $14,302,717 at March 31, 2008. The most significant changes in assets were a $556,184 increase in cash and a $5,520,667 increase in resource properties. These increases are a result of significant capital being raised in June, 2007 and the use of financing proceeds to fund the Company's resource property expenditures. The proceeds of capital raised during the period totaled $6,419,681, including $20,000 received from a 2007 financing. Proceeds from a private placement in June, 2007 were $6,000,000 net of $326,459 in cash share issue costs for net proceeds of $5,673,541. An additional $726,140 was raised through the exercise of share warrants from previous financings. Proceeds from this financing were used to fund the Company's ongoing exploration program, including the completion of an on-site diamond recovery plant and to cover operating expenses.

General and administrative expenses increased 46%, from $762,693 in the year ended March 31, 2007 to $1,110,335 in the year ended March 31, 2008. This increase of $347,642 is attributable to stock-based compensation related to the vesting of stock options, additions to management and administrative personnel, the introduction of directors' fees and increased rent for a new office premises.

General and administrative expenses were $365,616 in the three month period ended March 31, 2008 compared with $276,281 in the three month period March 31, 2007, an $89,335 or 32% increase. The increase in this period was primarily caused by increased stock-based compensation related to the vesting of stock options, increased management and administrative personnel and increased rent for new office premises.

Interest income was $152,502 for the year ended March 31, 2008 (2007 – $68,784). Interest income for the three months ended March 31, 2008 was $24,472, compared with $14,195 in the comparative period in 2007. The increase in both periods is due to the investment of funds raised in the June, 2007 private placement in advance of capital expenditures. Funds were invested in short term, secure term deposits until required for exploration.

Stock-based compensation expense of $455,410 for the year ended March 31, 2008 (2007 - $261,098) accounted for approximately 41% of the Company's total general and administrative expenses as compared to 34% in the year ending March 31, 2007. In the three months ended March 31, 2008, stock-based compensation was $117,326 (2007 - $44,620), which represents 32%

of total general and administrative expenses for that period. Stock-based compensation is a non-cash expense provision that may not reflect reality. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value or expense calculation of the Company's share purchase options.

Exploration Update

Since the previous Exploration Update provided in the Company's MD&A report dated February 28, 2008 in respect of the Company's financial statements for the nine months ended December 31, 2007, Hudson's objective has been to complete the processing of the 1997 bulk sample from Greenland and plan and execute the 2008 exploration and sampling program.

On March 3, 2008, Hudson reported the results from the +/- 160 tonne sample extracted from the Garnet Lake dike. The diamond laboratory at the Saskatchewan Research Council reported that a number of large clear colourless fragments were likely to have been derived from a single 3.5 to 4.0 carat diamond. The largest intact diamond recovered was a 2.51 carat, clear gem quality octahedron measuring 8.9mm x 8.2mm x 7.5mm. The next 25 largest stones (+2.36mm – 4750mm square mesh screen) had a total weight of 8.69 carats, a 212% increase in this size fraction over the previous bulk sample. The quality of the larger stones are exceptional and are described as colorless and clear.

The primary objective of that bulk sample program was to determine if larger stones were present in the kimberlite by crushing to a larger size fraction than had been done with the previous 47 tonne mini-bulk sample collected in 2006. The results were successful in this respect.

A total of 252 commercial sized diamonds were recovered in the bulk sample. In comparison to the 2007 47 tonne sample, the average individual diamond stone size improved by 240%, from 0.040 carats to 0.096 carats per diamond. The total number of diamonds recovered by the X-ray and grease circuit, representing approximately 140 tonnes, was 191 stones weighing a total of 18.36 carats. The balance of the sample (approximately 20 tonnes) was treated by caustic fusion in order to evaluate diamond liberation during processing. This material produced 96 macrodiamonds totalling 1.44 carats from 940.2kg of kimberlite concentrate.

The diamonds were classified as 85% white/colourless, 11% grey and 4% amber. One third of the diamonds were clear and the balance had minor inclusions. The largest diamonds were clear. Over 40% of the diamonds were octahedrons or had octahedroid shapes. Almost 50% of the diamonds were reported as broken or fragments. Apart from natural fragmentation, diamond breakage could

Kimberlite Sample	**DMS Concentrate**	**Total Diamond Counts (Number and weight by size fraction in mm)**								
X-Ray and Grease (140t nominal Sample)		+0.5	+0.6	+0.85	+1.18	+1.70	+2.36	+3.35	+4.75	
GBF-07: -12mm	4635.65 kg			18	75	28	16	4	1	142
				0.24	2.64	2.43	4.66	2.55	2.51	15.03ct
GBF-07: 70%-6mm	3034.60 kg			2	35	7	4	1		49
				.03	1.19	0.63	0.95	0.53		3.33ct
Caustic Fusion (20t nominal sample)										
GBF-07: -12mm	583.65 kg	8	17	28	16	2				71
		.012	.075	.314	.409	.189				1.000ct
GBF-07: 70%-6mm	356.55 kg	4	6	7	7	1				25
		.008	.030	.104	.209	.093				0.444ct

have occurred during blasting, crushing or processing.

The number of smaller diamonds recovered in the 0.85mm to 1.70mm size fraction was less than recovered from previous samples and microdiamond results. This is believed to be the result of the much coarser crush in relation to last years sample. The caustic fusion results support the notion that a large number of small macrodiamonds remain embedded in the coarse crushed kimberlite. Furthermore, the original 47 tonne sample was initially crushed to minus 6mm with an average estimated kimberlite grain size in the 3mm to 4mm range. Crushing that material to minus 3mm, increased the grade by 28%.

On March 18, 2008, Hudson reported the diamond results from the 2007 core drilling program. Confirmation of diamondiferous kimberlite in drill hole 07DS26 was coincident with the 2006 seismic data and successfully extended the strike length of the Garnet Lake dike structure by 450m to a total of 1,350m. The dike remains open along strike and down dip. Diamondiferous kimberlite from two new locations on the Naajat exploration licence, 35km north-west of Garnet Lake, demonstrated the potential of Hudson's 2,500 square kilometre license to host additional diamond discoveries.

Kimberlite Sample	**Kimberlite Tested**	**Weight** (kg)	**Diamonds in Square Mesh Sieve Sizes**						**Total Diamond**
			+75	+106	+150	+212	+300	+425	
Naajat Licence Area									
07DS01-D1	1.42m[1.]	4.40	1	1					2
07DS17-D	2.31m[2.]	7.55	1						1
Garnet Lake									
07DS26-D	2.97m[3.]	6.55			2				2
07DS27-28-D1	3.05m[4.]	8.20	3	2				1	6
07DS32-D1	3.30m[5.]	10.75	1	1	3	1			6
07DS35-D1	3.87m[6.]	12.70		1	2				3
Nilalik Area									
07DS41-42-D1	2.33m[7.]	7.20		1					1

1. New diamondiferous kimberlite located in the Naajat Licence area about 35km north west of Garnet Lake.
2. New diamondiferous kimberlite located in the Naajat Licence area about 40km north west of Garnet Lake.
3. Intersections of 1.80m and 1.17m located 196m and 211m down-hole along Seismic Line No.2, 850m north of Garnet Lake.
4. Intersections of 1.35m and 1.70m located 60m and 64m down-hole, 400m north of the Garnet Lake pit.
5. 3.30m intersection located 35m down-hole, 250m north of the Garnet Lake pit.
6. 3.87m intersection located 37m down-hole, 200m north of the Garnet Lake pit.
7. Intersections of 1.75m and 0.58 located located 73m and 82m down-hole, at the Nilalik area about 12km north east of Garnet Lake.

Last year's drill program was designed to continue the delineation of the Garnet Lake dike, test new kimberlite bodies on the Naajat Exploration Licence 35 km north-west of Garnet Lake, and to test new zones at the Nilalik diamondiferous occurrence 12 km north-east of Garnet Lake. Samples from 13 locations were selected for caustic fusion analysis. Seven of the samples, as reported above, were diamondiferous. One of three samples from the Nilalik area was diamond-bearing. All of the Garnet Lake dike samples were diamondiferous.

To date, a total of 30 drill holes are interpreted to have intersected the Garnet Lake dike. The average kimberlite dike thickness is estimated to be 2.5m within a 3.5m intersection of core. Hudson has completed caustic fusion on kimberlite samples from 20 drill core sample, float and bulk sample locations associated with the Garnet Lake dike. From a total sample weight of 780kg, 845 diamonds have now been recovered, including 16 commercial sized stones (>0.85mm sieve size) weighing a total of 0.51 carats.

All of the final diamond recovery was processed by the GeoAnalytical Laboratories at the Saskatchewan Research Council ("SRC"), Saskatoon, Saskatchewan, an independent laboratory. SRC GeoAnalytical Laboratories is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for specific tests.

The 2008 exploration and sampling program was initiated at the beginning of May. DMS plant upgrades were completed resulting in improved processing efficiencies. The most significant improvement was the installation of a smaller one foot wide cone crusher. This has significantly improved the finer crushing properties of the kimberlite. A concentrate of between 2% to 3% is currently being achieved, which is a significant improvement from the 2007 program. The plan is to ship the concentrate out to Canada in batches for final diamond recovery, with the first batch of concentrate expected to depart for Canada shortly. This should yield diamond results commencing in late summer-early fall.

Over 120 tonnes of 2007 stockpiled material was initially processed through the DMS plant. This material was initially crushed to minus 12mm. This was be followed by a minus 6mm crush. A small fraction was then re-crushed to minus 3mm in order test for finer liberation. This material is being flown to Canada for final diamond recovery by caustic fusion. During the course of monitoring the sampling process, a 0.12 ct diamond was recovered in the concentrate while conducting a cyclone efficiency diamond tracer density test.

In additional to conducting the large tonne bulk sample, Hudson is also conducting additional exploration and drilling. The objective of the +4,000 metre drill program is to test numerous potential kimberlite targets on the license and to continue to further delineate the diamondiferous Garnet Lake dike. To date, 1,900 metres of exploration drilling on new targets has been completed. Highlights include significant concentrations of kimberlite dike zones that were intersected 8 km east of Garnet Lake, where initial float samples proved to be diamondiferous, and a 4.6m disseminated to semi-massive sulphide zone that was intercepted at the mid-point along a 3.5km long highly conductive EM target and related surface gossan feature.

Hudson's license also includes the Sarfatoq carbonatite, which is a large (5km x 3km) intrusive complex. The carbonatite underwent preliminary investigations in 2002 by New Millennium Resources NL ("NMR"), which previously held the license. Samples collected by NMR, which were processed by Ultra Trace Pty Ltd of Australia, show significantly elevated levels of niobium (up to 51% Nb_2O_5) and uranium (up to 0.9% U_3O_8) in drill core and surface samples. Hudson is undertaking a sampling program together with a small drill program in order to further evaluate the economic potential of the carbonatite.

All government approvals are in place to complete the extraction and processing of up to 2,000 tonnes of material from the Garnet Lake kimberlite. Hudson is targeting to complete a minimum of 600 tonnes of freshly excavated kimberlite for its' 2008 bulk sample. Furthermore, all licence renewals have been completed and approved by the regulatory authorities in Greenland and Denmark.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

General

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Trends

The Company's financial success is dependent upon the discovery of properties which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors and for mining equipment. There is significant and increasing competition for a limited number of diamond and other resource acquisition opportunities and as a result, the Company may be unable to acquire suitable producing properties or prospects for exploration in the future on terms it considers acceptable. The Company competes with many other companies that have substantially greater financial resources than the Company.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Greenland. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with limited environmental impact.

Mineral Exploration and Development

The Company's properties are in the exploration stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of a body of commercial diamonds on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract diamonds and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of diamonds or interests related thereto. The price of diamonds has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of diamond substitutes, diamond stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of diamonds, and therefore the economic viability of the Company's operations cannot accurately be predicted and, in almost all cases, are factors which the Company cannot change or influence.

Title

Although the Company believes that it has taken all reasonable legal and other actions to ensure that it has good title to the properties in which the Company has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Management and Directors

The Company is dependent on a relatively small number of directors: James Tuer, John Ferguson, Robert Chase and John Hick; and officers. The loss of any of one of those persons could have an adverse affect on the Company. The Company does not maintain key person insurance on any of its management.

Conflicts of Interest

Certain officers, directors and advisors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History: Losses

As the Company is still in the exploration phase of its development, it has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at March 31, 2008 the Company's deficit was $2,873,760.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the past 12 months, the Company's share price fluctuated from a high of $1.20 to a low of $0.37. There can be no assurance that continual fluctuations in price will not occur.

Shares Reserved for Future Issuance: Dilution

As at July 29, 2008, there were 2,755,000 stock options outstanding and no warrants outstanding pursuant to which shares may be issued in the future. This could result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

RELATED PARTY TRANSACTIONS

During the years ended March 31, 2008 and 2007, the Company incurred the following transactions with a company with a common director and with officers and Directors of the Company:

	2008	2007
Audit and legal fees	$ 29,460	$ --
Directors' fees	44,000	11,000
Management fees	365,869	201,000
	$ 439,329	$ 212,000

These transactions were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

SUBSEQUENT EVENTS

On July 4, 2008, the Company entered into an agreement with a mining house to obtain interim financing for its Greenland diamond project. The agreement allows the Company to draw up to $2 million at a rate of Prime plus 2%. The loan facility matures on January 4, 2009.

There are no material subsequent events that have not been discussed in this report or the financial statements for the period ended March 31, 2008.

COMMITMENTS

The Company has made certain commitments in the course of running its business. In addition to office lease commitments disclosed in the Company's financial statements, the most notable commitment is the annual exploration commitment on the Company's exploration licenses in Greenland. Commitments can be reduced and/or eliminated by dropping and/or reducing licenses by the end of each calendar year. Based on work done to date and work to be completed to the end of 2008, Hudson believes that it has met all of the expenditure commitments required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years of the Company up to and including March 31, 2008. This financial information is derived from the financial statements of the Company which were audited by BDO Dunwoody LLP. The Company prepares financial information according to Generally Accepted Accounting Principles ("GAAP") and all information is reported in Canadian $.

March 31 (Audited)	2008	2007	2006
Total Revenues	152,502	68,784	20,380
Income from continuing operations	-	-	-
Net loss for the year	(957,833)	(693,909)	(496,879)
Net loss per share	(0.03)	(0.03)	(0.04)
Total Assets	14,302,717	8,227,437	2,983,150
Total Long-term financial liabilities	-	-	-

No Cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The Net Loss number is primarily composed of administration costs. Revenues from 2006 to 2008 are interest income.

Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

All of the above factors must be taken into consideration when comparing Total Revenues and Net Loss for each year.

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with March 31, 2008. Financial information is prepared in accordance with GAAP and is reported in Canadian $.

	Mar-31 2008	Dec-31 2007	Sep-30 2007	Jun-30 2007	Mar-31 2007	Dec-31 2006	Sep-30 2006	Jun-30 2006
Interest Income	$24,472	$39,714	$62,009	$25,826	$14,197	$16,556	$19,750	$18,377
Net loss	$(341,144)	$(140,425)	$(207,653)	$(268,445)	$(261,965)	$(142,707)	$(122,101)	$(185,512)
Net loss per share	($0.01)	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)

No Cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

The net loss for each period is primarily composed of administration costs. All revenue for the Company is interest income.

Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

All of the above factors must be taken into consideration when comparing Total Revenues and Net Loss for each year.

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently conducting its 2008 exploration and development program. With a recently arranged $2 million loan facility, the company expects to have sufficient funds available to complete the 2008 exploration program and to finance operations until the end of the exploration season. The Company expects that additional financing will be required in the future, depending on the exploration and development program for 2009. The exploration and subsequent development of the Company's properties beyond that will depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and consequently, the Company's interest in the properties subject to such agreements could be jeopardised. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the total cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

The Company's financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and respond to changes in domestic and international, political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These changes in events could materially affect the financial performance of the Company.

The Company had working capital at March 31, 2007 of $2,006,183 compared with $1,608,311 at March 31, 2007. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

The Company invests its cash balances in term deposits with Canadian banks. It has no exposure to asset-backed securities.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. At these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and term deposits, accrued interest and amounts receivable, and accounts payable and accrued liabilities approximates their fair market value because of the short-term nature of these instruments.

OUTSTANDING SHARE DATA AS OF JULY 29, 2008:

Authorized and issued share capital:

Class	**Par Value**	**Authorized**	**Issued**
Common	No par value	Unlimited	30,571,266

There are currently 2,755,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.20	December 5, 2008
543,167	$0.60	December 1, 2009
923,333	$0.50	January 4, 2011
58,500	$0.60	January 4, 2011
100,000	$0.80	February 3, 2011
100,000	$0.80	April 26, 2011
500,000	$1.00	June 15, 2012
480,000	$0.51	April 8, 2013
2,755,000		

At March 31, 2008, there were 4,194,736 share purchase warrants, all of which expired by June 14, 2008.

OTHER INFORMATION

The Company's website address is www.hudsonresources.ca. Other information relating to the Company may be found on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"James Tuer"
James Tuer, President and Director

"Robert Chase"
Robert Chase, Director