HUDSON RESOURCES INC.
Management Discussion and Analysis
(Form 51-102F1)
For the Year ended March 31, 2009
Information as of July 22, 2009 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, 2009 and 2008. The material herein, as of July 22, 2009 unless otherwise indicated, updates the information as of February 26, 2009 contained in the MD&A in respect of the financial statements for the three and nine months periods ended December 31, 2008.

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 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, 2009 and 2008 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 primarily focused its exploration activities on the search for diamonds in the Sarfartoq region of western Greenland. The recent increased interest in rare earth elements ("REE's") as critical metals required to drive "green" technologies, such as wind turbines and hybrid cars, has resulted in the Company developing an exploration program for these metals as well as the diamonds.

The Company is currently actively exploring for diamonds and REE's on six contiguous exploration licences totaling approx. 1,800 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. All of its exploration licences 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, 2009 was $839,792, a loss of $0.02 per share, compared with a loss of $957,833 for the year ended March 31, 2008, a loss of $0.03 per share.

The Company reduced its loss by 12% over the previous year. Significant reductions attributed to non-cash stock-based compensation, management and directors fees, legal fees, office expenses, travel and accommodation expenses and foreign currency exchange rates resulted in expense reductions of 23% (or $254,282) over the previous year. Unfortunately, interest income was reduced by $138,891 over the period due to significant reductions in interest rates and available cash on hand.

The loss for the three-month period ended March 31, 2009 was $130,205, compared with a loss of $341,144 for the three months ended March 31, 2008, a reduction of 62%. Reductions in non-cash compensation ($103,520 lower) and management and director's fees ($89,316 lower) accounted for 83% of the savings.

Assets increased by $1,902,293 over the previous year, from $14,302,717 at March 31, 2008 to $16,205,010 at March 31, 2009. The most significant changes in assets were a $1,601,557 reduction in cash and a $3,532,810 increase in resource properties. The net increase was financed by two capital raisings that took place in fiscal 2009: $2,000,000 in capital was received from the Teck Cominco transaction (5,000,000 shares at $0.40/sh) and $552,000 being raised in the fourth quarter via units of common shares and half warrants priced at $0.10/unit. Proceeds from these financings 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 decreased 23%, from $1,110,335 in the year ended March 31, 2008 to $856,053 in the year ended March 31, 2009. 82% of this decrease of $254,282 is attributable to stock-based compensation related to the vesting of stock options and reductions in management expenses and directors' fees.

General and administrative expenses were $132,998 in the three month period ended March 31, 2009 compared with $366,111 in the three month period ended March 31, 2008, a $233,113 or 64% decrease. As with the annual fiscal period, the decrease in this period is attributable to stock-based compensation related to the vesting of stock options and reductions in management expenses and directors' fees.

Interest income was $13,611 for the year ended March 31, 2009 (2008 – $152,502). Interest income for the three months ended March 31, 2009 was $143, compared with $24,965 in the comparative period in 2008. The reduction in both periods is due to the reduction in cash on hand and the significant reduction in interest rates generally. Funds were invested in short term, secure term deposits or cash until required for exploration.

Stock-based compensation expense of $320,634 for the year ended March 31, 2009 (2008 - $455,410) accounted for approximately 37% of the Company's total general and administrative expenses as compared to 41% in the year ending March 31, 2008. In the three months ended March 31, 2009, stock-based compensation was $13,807 (2008 period- $117,327), which represents 10% 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 share 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 26, 2009 in respect of the Company's financial statements for the three and nine months ended December 31, 2008, Hudson's objective has been to plan and execute the 2009 exploration and sampling program. The focus of this year 's program has been to develop the Sarfartoq Carbonatite rare earth project. Secondary diamond work will also take place.

Rare Earth Element Project

During a three-week field program that started in June 2009, Hudson's exploration team carried out extensive fieldwork with the objective of defining REE drill targets to be drill tested later this summer. The program included ground radiometric surveying, rock and stream sediment sampling and mapping. The program was successful in identifying three primary REE target areas. All rock and stream sediment samples were flown back to Canada and are being processed at ALS Chemex in Vancouver.

The Sarfartoq Carbonatite Complex has historically been viewed as unique in terms of the high niobium, uranium and tantalum concentrations. These are unusually high in comparison to any other such deposits throughout the world. It is one of the larger carbonatite complexes with approximate dimensions of 13 X 8 km. Past fieldwork identified a number of areas of highly anomalous REE occurrences which were never followed-up on due to lacklustre metal prices at the time. The quality of these targets, combined with our belief that the demand for rare earth elements and specialty metals will improve substantially in the near future, is the reason Management is pursuing this project.

The project is located near tidewater and adjacent to excellent potential hydroelectric sites. Alcoa is currently evaluating a hydroelectric site within 15 km of the Sarfartoq project to support an aluminum smelter to be built on the coast. The hydroelectric facility would have an installed capacity of 600 to 750 megawatts. Civil infrastructure, including harbors, camps, roads and heliports would be developed to support construction of the project. The project cost is currently estimated at US$1.5 billion. Hudson has had preliminary discussions with the Greenland government and Alcoa to ensure access to this clean, cost effective power source should it be constructed.

In March, the Company received five years of historical data on the Sarfartoq Carbonatite Project that was completed by New Millennium Resources NL and Hecla Mining Company. The reports are extensive and demonstrate the advanced nature of the project with prefeasibility level studies completed between 1999 and 2002. Past work focused on the high-grade niobium bearing lens and no follow-up was done on some highly anomalous REE results in a number of areas within radiometric anomalies in the ring structures of the carbonatite.

Management compiled a total of 169 reconnaissance samples from these reports. Fifty-four of these samples were collected on the north side of the Sarfartoq Carbonatite and outlined several exceptional REE targets. The north area has seen little advanced exploration even though the average combined lanthanum, cerium and neodymium oxides of these samples averaged 1.1% with a number of samples exceeding 4.0%. Neodymium, one of the more valuable rare earths, is particularly prevalent in this area averaging over 50% of the Total Rare Earth Oxides ("TREO") in a number of locations. Thirteen samples from within a 1,000m X 250m radiometric anomaly averaged 1.6% TREO distributed as follows: 4% La_2O_3, 27% CeO_2, 8% Pr_6O_{11}, 51% Nd_2O_3, 8% Sm_2O_3, 1% Eu_2O_3, 1% Gd_2O_3. In comparison to the Baotou deposit in China, which is viewed by many in the industry as a benchmark deposit, the high neodymium, praseodymium and europium concentrations are expected to double average rare earth concentrate values.

The niobium and tantalum pentoxides, together with the uranium and rare earth elements, are associated with the mineral pyrochlore. Average grades are four to five times higher than current mines. Historical results (non NI43-101 compliant) include a trench grading 14.4% Nb_2O_5 over 200m and a diamond drill hole averaging 12.13% Nb_2O_5 over 20m starting near surface. Uranium is directly associated with the niobium in the pyrochlore and is an effective prospecting tool used to identify other occurrences on the project area.

The high-grade rare earth oxides are associated with thorium together with low to non-existent uranium levels. As a result, the thorium radiometric signature is an effective prospecting tool for identifying additional REE occurrences. The minerals associated with these potentially economic grades have yet to be properly identified.

There are over 30 radiometric targets identified on the Sarfartoq Project and a significant portion of the area has a thin cover of unconsolidated sediments, which could be masking additional radiometric anomalies.

Sarfartoq Project Historical Work

New Millennium Resources spent in excess of US$5 million evaluating the project and was advancing the niobium deposit to feasibility. Previous work, which only focused on the recovery of niobium from a single pod of pyrochlore mineralization, included:

- Stage 1 Feasibility Report – Greenland Niobium Project. Completed by Van Der Meer Consulting, Perth Australia (August 2000). – Study base case was a seasonally operated, 15,000 tpy high-grade ore mine with an estimated capital cost of US$29 million.
- Feasibility Study – Phase 1, Greenland Niobium Project. Completed by Worley Chemical & Minerals Pty Ltd., Perth Australia (April 12, 2002). – Study base case was a 12,000 tpy mine utilizing oxalic acid for processing of ore with an estimated capital cost of US$23.8 million. The study demonstrated a positive IRR of 19% based on a ferro niobium price of US$7/lb (currently $10-14) and discount rate of 5%.
- Extraction and Beneficiation of Niobium, Tantalum, Zirconium and Rare Earth Elements From Greenland Pyrochlore and Eudialyte. Completed by Curtin University of Technology, Perth, Australia (2002-2003). – Bench-scale metallurgical test work demonstrated that recoveries of over 95% for niobium and uranium are achievable utilizing solvent extraction.

Garnet Lake Diamond Project

Hudson will be conducting a scaled down diamond program in 2009. The program will include field reconnaissance with the focus on discovering kimberlite pipes. Additionally, further evaluation of diamond liberation methodologies to enhance recoveries will utilize High Pressure Grinding Rolls (HPGR). Hudson extracted approximately 400kg of Garnet Lake kimberlite for HPGR testing for later in 2009. Hudson expects to be back on target to continue with the evaluation of the Garnet Lake dike in 2010, including the potential extraction of a 2-3,000 tonne bulk sample to allow the project to advance to the prefeasibility stage.

There are some encouraging signs that the diamond market is improving. As noted in a TD Securities Inc. (“TD”) report dated April 15, 2009, TD is seeing signs of recovery and renewed interest in the diamond sector with the Kinross Gold Corporation investment in Harry Winston Diamond Corporation, De Beers Group restarting of their Botswana operations and dealer restocking of inventories depleted during the credit crunch resulting in better pricing.

Prospector and Developer Award

In March, Hudson was awarded the inaugural Prospector and Developer of the Year award by the Bureau of Minerals and Petroleum, Government of Greenland.

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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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.

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, rare earth 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, the majority of which 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 or rare earths 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 and/or REE and specialty metals or interests related thereto. The price of these commodities 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 REE metals, 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 it 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. The Bureau of Mines and Petroleum in Greenland currently restricts the mining of radioactive elements and there is no assurance that the ban will be lifted if the production of REE contains radioactive elements as by products to the primary metals.

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: James Tuer and Jim Cambon. 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, 2009 the Company's deficit was $3,713,552.

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 $0.45 to a low of $0.05. There can be no assurance that continual fluctuations in price will not occur.

Shares Reserved for Future Issuance: Dilution

As at July 22, 2009, there were 4,095,000 stock options outstanding and 8,065,000 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, 2009 and 2008, the Company incurred the following transactions with a company with a common director and with officers and directors of the Company:

	2009	2008
Accounting and legal fees	$ 12,855	$ 29,460
Directors' fees	11,000	44,000
Management fees	325,200	365,870
	$ 349,055	$ 439,330

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

SUBSEQUENT EVENTS

On April 6, 2009, the Company granted 1,500,000 share purchase options exercisable at $0.10 per share to directors, officers and consultants to the Company. The options expire 5 years from the grant date.

Subsequent to March 31, 2009, the Company closed a private placement of 5,300,000 units at $0.20 per unit for gross proceeds of $1,060,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase one additional common share at $0.30 until January 13, 2011. The proceeds on the sale of units are all allocated to share capital and none to warrants. In connection with this private placeent, the Company paid brokers a cash commission of $15,250 and 5,000 Units.

There are no material subsequent events that have not been discussed in this report or the financial statements for the period ended March 31, 2009.

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 licences in Greenland. Commitments can be reduced and/or eliminated by dropping and/or reducing licences by the end of each calendar year. Based on work done to date and work to be completed to the end of 2009, 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, 2009. 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 Canadian Generally Accepted Accounting Principles ("GAAP") and all information is reported in Canadian $.

March 31 (Audited)	2009	2008	2007
Total Revenues	13,611	152,502	68,784
Income from continuing operations	-	-	-
Net loss for the year	(839,792)	(957,833)	(693,909)
Net loss per share	(0.02)	(0.03)	(0.03)
Total Assets	16,205,010	14,302,717	8,227,437
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 2007 to 2009 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, 2009. Financial information is prepared in accordance with GAAP and is reported in Canadian $.

	Mar-31 2009	Dec-31 2008	Sep-30 2008	Jun-30 2008	Mar-31 2008	Dec-31 2007	Sep-30 2007	Jun-30 2007
Interest Income	$142	$916	$812	$11,741	$24,472	$40,182	$62,009	$25,826
Net loss	$(130,205)	$(238,143)	$(221,147)	$(250,297)	$(341,144)	$(140,425)	$(207,653)	$(268,445)
Net loss per share	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)	($0.00)	($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 2009 exploration and development program. With the recently completed $1,060,000 capital financing, the Company expects to have sufficient funds available to complete the 2009 exploration program as currently contemplated and to finance non-exploration operations over the next year. The Company expects that additional financing will be required in the future, depending on the results of the 2010 exploration and development program. 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, 2009 of $479,724 compared with $2,006,183 at March 31, 2008. 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 22, 2009:

Authorized and issued share capital:

Class	Par Value	Authorized	Issued
Common	No par value	Unlimited	46,396,266

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
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
50,000	$0.80	April 26, 2011
450,000	$1.00	June 15, 2012
470,000	$0.51	April 23, 2013
1,500,000	$0.10	April 3, 2014
4,095,000		

There are currently 8,065,000 share purchase warrants outstanding as follows:

Number	Exercise Price	Expiry Date	Early Conversion Price
2,760,000	$0.20	August 3, 2010	$0.40
5,305,000	$0.30	January 13, 2011	$0.50
8,065,000			

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