

HUDSON RESOURCES INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

(unaudited)

For The Three Months Ended June 30, 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
INTERIM BALANCE SHEETS

<i>As at</i>	June 30, 2010	March 31, 2010
ASSETS		
CURRENT		
Cash and cash equivalents (note 6)	\$ 5,046,239	\$ 1,981,878
Goods and services tax receivable	53,243	38,119
Deposits	4,291	4,365
Prepaid expenses	15,896	28,385
	5,119,669	2,052,747
Equipment (note 7)	4,893	3,842
Resource properties (note 8 and schedule 1)	18,319,864	16,921,437
	\$ 23,444,426	\$ 18,978,026
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (note 10)	\$ 240,162	\$ 184,023
SHAREHOLDERS' EQUITY		
Share capital (note 9)	26,061,732	21,276,946
Share subscription received (note 9)	-	240,800
Contributed surplus (note 9)	2,172,680	1,761,837
Deficit	(5,030,148)	(4,485,580)
	23,204,264	18,794,003
	\$ 23,444,426	\$ 18,978,026

Nature of operations and ability to continue as a going concern (note 1)

Commitment (note 11)

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

/s/ James Tuer Director

/s/ John Hick Director

HUDSON RESOURCES INC.
(An Exploration Stage Company)
INTERIM STATEMENTS OF OPERATIONS AND DEFICIT (unaudited)

	For the three months ended	
	June 30, 2010	June 30, 2009
EXPENSES		
Amortization	\$ 341	\$ 163
Legal, audit and accounting fees (note 10)	26,608	-
Bank charges and interest	72	711
Filing fees	5,946	1,280
Foreign exchange	(1,875)	1,699
Management fees (note 10)	81,300	81,300
Non-cash compensation (note 9(e))	396,945	152,418
Office	7,366	7,266
Rent	9,751	13,792
Shareholder/corporate communications	12,523	5,990
Telephone	570	1,394
Travel and accommodation	2,761	2,703
Transfer agent fees	2,283	987
	<u>(544,591)</u>	<u>(269,703)</u>
OTHER INCOME		
Interest income	23	38
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	<u>(544,568)</u>	<u>(269,665)</u>
OPENING DEFICIT	<u>(4,485,580)</u>	<u>(3,713,552)</u>
CLOSING DEFICIT	<u>\$ (5,030,148)</u>	<u>\$ (3,983,217)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>60,465,112</u>	<u>41,091,266</u>

The accompanying notes are an integral part of these financial statements.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
INTERIM STATEMENTS OF CASH FLOWS (unaudited)

	For the three months ended	
	June 30, 2010	June 30, 2009
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Net loss for the year	\$ (544,568)	\$ (269,665)
Adjustments for items not affecting cash:		
Amortization	341	163
Non-cash compensation	396,945	152,418
	(147,282)	(117,084)
Net changes in non-cash working capital items:		
Accrued interest and amounts receivable	-	1,678
Goods and services tax receivable	(15,124)	(6,333)
Deposits	74	-
Prepaid expenses	12,489	(15,132)
Accounts payable and accrued liabilities	68,390	(280,435)
	(81,453)	(417,306)
FINANCING ACTIVITIES		
Issuance of common shares	4,539,912	595,000
INVESTING ACTIVITIES		
Resource properties expenditures	(1,392,706)	(14,749)
Equipment	(1,392)	-
	(1,394,098)	(14,749)
Net increase (decrease) in cash and cash equivalents	3,064,361	162,945
Cash and cash equivalents, beginning of period	1,981,878	712,877
Cash and cash equivalents, end of period	\$ 5,046,239	\$ 875,822
Cash and cash equivalents consist of :		
Cash	4,920,036	749,734
Term deposits	126,203	126,088
	\$ 5,046,239	\$ 875,822
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

Supplemental cash flow information (Note 12)

The accompanying notes are an integral part of these financial statements.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 1 - NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated on March 7, 2000 under the Company Act of the Province of British Columbia as Evolution Networking Corp. and changed its name on September 25, 2000 to Tekwerks Solutions Inc. and on December 6, 2002 to Hudson Resources Inc.

The Company is in the business of acquiring, exploring and evaluating resource properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. At June 30, 2010, the Company was in the exploration stage and had interests in properties located in Greenland.

The recoverability of amounts shown for resource properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete their exploration, and future profitable production or disposition thereof.

These unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At June 30, 2010, the Company had not yet achieved profitable operations, had accumulated losses of \$5,030,148 since inception and expects to incur further losses in the development of its business. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended March 31, 2010, except as described in note 3.

These unaudited interim financial statements do not include all note disclosures required by Canadian generally accepted accounting principles for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended March 31, 2010. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the year ending March 31, 2011.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 3 - CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Future changes in accounting policies

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company's effective date of April 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending March 31, 2011.

While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations

In January 2009, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook section 1582, Business Combinations, section 1601, Consolidated Financial Statements, and section 1602, Non-Controlling Interests. These sections replace the former section 1581, Business Combinations, and section 1600, Consolidated Financial Statements, and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 4 - MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its resource properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash equivalents.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company is not subject to any externally imposed capital requirements.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on its diamond exploration and development activities, preparing cash flow analyses to ensure an adequate amount of liquidity and monthly review of financial results. The Company currently has net positive working capital and believes that it has the ability to maintain this based upon its previous success at raising capital and the option of operating at a minimum sustaining basis.

NOTE 5 - FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as held-for-trading; accrued interest and amounts receivable as loans and receivables; deposits as held-to-maturity; and accounts payable and accrued liabilities as other financial liabilities.

a) Fair value

The carrying values of cash and cash equivalents, accrued interest and amounts receivable, deposits, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

The CICA establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs that are not based on observable market data.

The fair value of all the financial instruments is measured by using the unadjusted quoted price in active markets for identical assets and liabilities (Level 1).

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 5 - FINANCIAL INSTRUMENTS (continued)

b) Financial risk management

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness. As at June 30, 2010 the Company is not exposed to any significant credit risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Included in the loss for the year in the financial statements is interest income on Canadian dollar cash and cash equivalents. As at June 30, 2010, the Company's cash is subject to or exposed to interest rate risk. However, this risk is not significant.

Foreign Currency Risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's accounts payable and accrued liabilities are held in Canadian dollars ("CAD"), Greenland dollars ("DDK") and US dollars ("USD"); therefore, DDK and USD accounts are subject to fluctuation against the CAD.

The Company had the following balances in foreign currency as at June 30, 2010:

	<u>in DDK</u>	<u>in US dollar</u>
Accounts payable and accrued liabilities	\$ 196,206	\$ 7,764
Rate to convert to \$1.00 Canadian	0.1719	1.0484

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash balance to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 6 - CASH AND CASH EQUIVALENTS

As at June 30, 2010, the balance of cash and cash equivalents is \$5,046,239 (March 31, 2010 - \$1,981,878), which consists of \$4,920,036 in cash (March 31, 2010 - \$1,855,697) and \$126,203 in cash equivalents (March 31, 2010 - \$126,181).

NOTE 7 - EQUIPMENT

	June 30, 2010		
	Cost	Acc. Amort.	NBV
Computers	9,147	(4,254)	4,893
	March 31, 2010		
	Cost	Acc. Amort.	NBV
Computers	7,755	(3,913)	3,842

NOTE 8 - RESOURCES PROPERTIES

Naajat Mineral Claim, Greenland

On July 15, 2002, the Company's application for the Naajat mineral claim (EL 2002/06) comprising 851 square kilometres in Western Greenland was approved by the Greenland mining authorities. Work expenditures are approved each April by the Bureau of Minerals and Petroleum ("BMP") for Greenland based on Company submissions due April 1st of each year. In December, 2003, the Company reduced the area to 325 square kilometres based on the results of the 2003 exploration program. In December, 2004, the Company reduced the area to 243 square kilometres. In December, 2006, the company applied to extend the licence for an additional five year period and the licence area was reduced to 190 square kilometres.

Nalussivik Mineral Claim, Greenland

On May 1, 2003, the Company's application for the Nalussivik mineral claim (EL 2003/04) comprising 208 square kilometres in Western Greenland, was approved by the BMP. In 2004, the Company applied for and was granted an additional 193 square kilometres under the Nalussivik EL bringing the total to 401 square kilometres. During the year ended March 31, 2010, the Company made application to reduce the licence area to approximately 121 square kilometres.

Sarfartuup Qulaa Mineral Claim, Greenland

On January 31, 2005, the Company's application for the Sarfartuup Qulaa mineral claim (EL 2005/03), comprising 89 square kilometres in Western Greenland, was approved by the BMP. During the year ended March 31, 2010, the Company applied to extend the licence for an additional five year period.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 8 - RESOURCES PROPERTIES (continued)

Sarfartoq Mineral Claim (New Millennium Resources NL JV, Greenland)

On June 20, 2003, the Company entered into an agreement with a Perth, Australia based company, New Millennium Resources NL ("New Millennium"), to acquire an 80% interest in the diamond mineral rights (including all other minerals except for tantalum and niobium) on the Sarfartoq exploration license on property located in West Greenland.

The Company acquired the remaining 20 percent interest (including 100% of previously excluded mineral rights) in the Sarfartoq exploration licence in West Greenland from New Millennium for consideration of \$89,000 (paid) and 600,000 common shares of the company (issued at the value of \$450,000).

The Company has met its exploration commitments required to maintain the Sarfartoq claim. During the year ended March 31, 2010, an application was submitted to extend the licence for a further 2 year period ending December 31, 2011.

Sarfartoq Øst Mineral Claim, Greenland

In July 2006, the Company's application for the Sarfartoq Øst mineral claim (EL 2006/02) comprising 1,117 square kilometres in Western Greenland was approved by the BMP. In December 2007, the Company reduced the area to 374 square kilometres.

Arnanganeg Mineral Claim, Greenland

In July 2007, the Company's application for the Arnanganeg mineral claim (EL 2007/28) comprising 236 square kilometres in Western Greenland was approved by the BMP.

Sarfartoq Valley Claim, Greenland

During the year ended March 31, 2010, the Company's application for the Sarfartoq Valley mineral claim (EL 2009/20) comprising 5 square kilometres in Western Greenland was approved by BMP.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 9 - SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value

b) Issued common shares and contributed surplus

	Number of Common Shares	Amount	Share Subscriptions Received	Contributed Surplus
Balance, March 31, 2010	54,511,266	21,276,946	240,800	1,761,837
Private placement	6,250,000	5,000,000	(240,800)	-
Exercise options for cash	50,000	5,000	-	-
Share issuance costs	-	(224,288)	-	-
Reclassification of grant-date fair value on exercise of stock options	-	4,074	-	(4,074)
Stock-based compensation	-	-	-	414,917
Balance, June 30, 2010	60,811,266	\$ 26,061,732	\$ -	\$ 2,172,680

For the three months ended June 30, 2010

On April 6, 2010, the Company completed a non-brokered private placement of 6,250,000 units at a price of \$0.80. Each unit consists of one common share and one-half of one share purchase warrant. Each full warrant entitles the holder thereof to purchase one additional share for \$1.20 on or before April 6, 2012. In certain events, the Company can accelerate the expiry date of the warrants if the common shares trade above a weighted average of \$2.00 for 20 days. The Company paid \$224,288 in fees in connection with this private placement. The Company uses the residual value method with respect to the measurement of shares and warrants issued in the private placement units. Under this method, fair value assigned to the warrants is \$nil based on an estimated fair value of the shares equal to the value of the units.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 9 - SHARE CAPITAL (continued)

c) Share Purchase Warrants

A summary of the status of warrants as of June 30, 2010 and the changes for the period then ended are as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance, March 31, 2010	-	\$ -
Issued	3,125,000	\$ 1.20
Balance, June 30, 2010	3,125,000	\$ 1.20

The following summarizes information about share purchase warrants outstanding at June 30, 2010:

Expiry date	Warrants Outstanding	Exercise Price	Weighted Average Remaining Contractual Life (in years)
April 6, 2012	3,125,000	\$ 1.20	1.77
	3,125,000		1.77

d) Options

The Company has a stock option plan whereby the maximum number of shares reserved for issue shall not exceed 10% of the issued and outstanding common shares of the Company as at the date of the grant. The maximum number of common shares reserved for issue to any one optionee under the plan cannot exceed 5% of the total issued and outstanding number of common shares on a non-diluted basis. The maximum number of common shares reserved for issue to any insiders as a group shall not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to any one consultant shall not exceed 2% of the total number of issued and outstanding shares on a non-diluted basis. The maximum number of common shares reserved for issue to all eligible persons who undertake investor relation activities shall not exceed 2% in the aggregate of the total number of issued and outstanding shares on a nondiluted basis. The Company has granted directors, officers and consultants common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant. Under the stock option plan, management has the option of determining vesting periods.

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 9 - SHARE CAPITAL (continued)

d) Options (continued)

A summary of the status of options granted under the Option Plan as of June 30, 2010, and the changes for the period then ended are as follows:

	Number Outstanding	Weighted Average Exercise Price
Balance, March 31, 2010	3,428,000	\$ 0.42
Issued	2,250,000	\$ 0.80
Cancelled/Expired	(206,500)	\$ 0.62
Exercised	(50,000)	\$ 0.10
Balance, June 30, 2010	5,421,500	\$ 0.57

The following summarizes information about stock options outstanding and exercisable at June 30, 2010:

Expiry date	Options Outstanding	Options Exercisable	Exercise Price	Weighted Average Remaining Contractual Life (in years)
January 4, 2011	58,500	58,500	\$ 0.60	0.52
January 4, 2011	733,000	733,000	0.50	0.52
February 3, 2011	100,000	100,000	0.80	0.60
June 15, 2012	400,000	400,000	1.00	1.96
April 23, 2013	330,000	330,000	0.51	2.82
April 6, 2014	1,450,000	1,450,000	0.10	3.77
January 25, 2015	100,000	37,500	0.95	4.58
April 30, 2015	2,250,000	562,500	0.80	4.84
	5,421,500	3,671,500		3.50

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 9 - SHARE CAPITAL (continued)

e) Stock-based compensation

The fair value of stock options is determined using the Black-Scholes option pricing model. There were 2,250,000 options granted to the Company's directors, officers, employees and consultants during the three months ended June 30, 2010 (2009 – 1,500,000). The Company recognized \$414,917 of stock-based compensation expense on options vested during the three ended June 30, 2010 (2009 - \$152,418). For the three months ended June 30, 2010 and 2009, stock-based compensation expense consists of the following:

	June 30, 2010	June 30, 2009
Capitalized to:		
Resource properties	\$ 17,972	\$ -
Expensed to:		
Legal, audit and accounting fees	\$ 13,478	\$ -
Consulting fees	-	9,704
Directors' remuneration	68,969	43,422
Management remuneration	314,498	99,292
	396,945	152,418
	\$ 414,917	\$ 152,418

The fair value of employee and non-employee options granted during the three ended June 30, 2010 and 2009 was calculated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	June 30, 2010	June 30, 2009
Risk-free interest rate	2.71%	1.20%
Expected annual volatility	144%	123%
Expected life	5.00	5.00
Expected dividend yield	0%	0%
Weighted average fair value of options granted	\$0.72	\$0.08

HUDSON RESOURCES INC.
(An Exploration Stage Company)
NOTES TO THE INTERIM FINANCIAL STATEMENTS (unaudited)
For The Three Months Ended June 30, 2010

NOTE 10 - RELATED PARTY TRANSACTIONS

During the three ended June 30, 2010 and 2009, the Company incurred the following expenses with a company with a common director and with directors and officers and a former officer of the Company:

	For the three months ended	
	June 30, 2010	June 30, 2009
Legal, audit and accounting fees	\$ 15,600	\$ -
Management fees	81,300	81,300
	\$ 96,900	\$ 81,300

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

As at June 30, 2010, accounts payable and accrued liabilities include \$24,599 (March 31, 2010: \$29,277) in management and directors' fees and travel and other expenses due to directors, officers and a company with a common director.

NOTE 11 – OFFICE LEASE COMMITMENT

During the year ended March 31, 2009, the Company entered into a two-year office lease agreement ending October 1, 2011. Total minimum lease payments are as follows:

<i>For the year ended</i>	Amount	
March 31, 2011	\$	29,335
March 31, 2012		19,557
	\$	48,892

NOTE 12 – SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows.

At June 30, 2010, 2010, accounts payable include \$95,229 relating to resource properties (March 31, 2010 - \$107,480).

For the three months ended June 30, 2010, the following transaction was excluded from the statements of cash flows:

- \$17,972 of stock-based compensation expenses were capitalized to resource properties (2009 - \$nil).

HUDSON RESOURCES INC.
(An Exploration Stage Company)
SCHEDULE OF RESOURCE PROPERTY COSTS
For The Three Months Ended June 30, 2010

	Balance as at March 31, 2010 (audited)	Additions	Balance as at June 30, 2010 (unaudited)
Greenland			
Sarfartoq Exploration Licences			
Acquisition costs / license fees	\$ 652,249	\$ 26,918	\$ 679,167
Deferred exploration expenditures			
Assay and analysis	346,638	58,114	404,752
Camp and portable shelters	551,682	72,378	624,060
Consulting	1,398,414	177,347	1,575,761
Data processing	55,226	-	55,226
Diamond recovery plant and operations	1,672,479	-	1,672,479
Drilling	3,054,758	514,554	3,569,312
Equipment	534,429	76,497	610,926
Explosives	50,026	-	50,026
Fuel	200,718	19,647	220,365
Geophysical data	452,667	26,000	478,667
Helicopter	4,798,825	183,411	4,982,236
Insurance	47,433	-	47,433
Legal	6,018	-	6,018
Sample extraction and processing	1,599,963	-	1,599,963
Shipping	471,608	46,381	517,989
Stock-based compensation	-	17,972	17,972
Supplies	128,134	16,204	144,338
Travel	878,954	134,011	1,012,965
Wages and benefits	21,216	28,993	50,209
	16,269,188	1,371,509	17,640,697
Total resource property costs	\$ 16,921,437	\$ 1,398,427	\$ 18,319,864