HUDSON RESOURCES INC.

Management Discussion and Analysis
(Form 51-102F1)
For the Year ended March 31, 2005
Information as of July 16, 2005 unless otherwise stated

Note to Reader

The following management discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's annual audited financial statements for the year ended March 31, 2005, together with the notes thereto, as well as, the Companies previous financial and MD&A reports. The material herein, as of July 16, updates the information as of February 24, 2005 contained in the MD&A of that report. These annual audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Quarterly financial statements are prepared by management on the same basis.

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.

Overall Performance

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

The Company was started in March 2000 and began trading on the TSX Venture Exchange in February 2001 classified as a Capital Pool Company. Since December 2002, Hudson has been active exploring for diamonds in Greenland.

The Company has a direct 100% interest in three contiguous exploration licences totaling 733 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. It has a further 80% interest in an additional 765 square kilometres contiguous to its Greenland properties as a result of its joint venture with New Millennium Resources NL of Perth Australia.

The Company's loss from operations for the year ended March 31, 2005 totaled $352,153, a loss of $0.04 per share, as compared to a loss of $186,708 for the year ended March 31, 2004, a loss of $0.03 per share. Assets increased from $819,188 as at March 31, 2004 to $3,129,220 as at March 31, 2005 as a result of significant capital raising and resource property expenditures over the period. The proceeds of the capital raised during the period were used to fund the Company's exploration program and to cover operating expenses. On a quarterly basis, the Company's loss from operations for the three months ended March 31, 2005 totaled $109,108, a loss of $0.01 per share, as compared to a loss of $65,449 for the three months ended March 31, 2004, a loss of $0.00 per share. Assets increased by $470,214 in the fourth quarter primarily as a result of the exercise of share purchase warrants.

General and administrative expenses increased from $66,376 in the three months ended March 31, 2004 to $118,138 in the three months ended March 31, 2005. For the year ended March 31, 2005, general and administrative expenses were $371,411, an increase of $209,514 over the previous year. Interest income was $9,029 (2004 – $927) for the fourth quarter ended March 31, 2005. Interest income was $19,258 (2004 - $5,691) for the year ended March 31, 2005. There were no deferred exploration or property write-offs in the fourth quarter or the year ended March 31, 2005 (2004 - $30,502).

Effective for fiscal years commencing on or after January 1, 2004, Canadian generally accepted accounting principles require the fair value of all share purchase options to be expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital. Previously only share purchase options granted to non-employees followed this method and options granted to employees were not expensed. The Company has adopted a new accounting policy on a retroactive basis with no restatement of prior periods.

Based on the new policy, effective April 1, 2004, deficit and contributed surplus were each increased by $41,250 to account for share purchase option expense that would have been charged to operations in 2003 and 2004. 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 of the Company's share purchase options.

For the fourth quarter ended March 31, 2005, stock-based compensation expense accounted for approximately 46% or $54,191 (2004 - $15,437) of the Company's total general and administrative expenses. When compared on an annual basis, stock-based compensation expense accounted for approximately 31% or $115,379 (2004 - $15,437 or 10%) of the Company's total general and administrative expenses.

The increase in overall expenses over the last 2 years is attributed to higher costs related to running and promoting a public company, especially in the period following the Company's discovery of diamonds on the Greenland properties in Fall 2004. Significant changes in General and Administrative costs were: Accounting and legal fees increased by $10,435 to $27,439, shareholder communications increased by $45,859 to $71,621 reflecting additional trade shows and broker presentations warranted by the exploration results, management fees increased by $32,000 to $92,000 reflecting additional management personnel, and stock-based compensation increased by $99,942, as discussed above.

Exploration Update

Hudson has undertaken an active exploration program in Greenland since the beginning of 2005. The Company initiated its 2005 exploration program by entering into an agreement with Cartwright Drilling Inc., of Goose Bay, Labrador, to conduct a drill program on the Company's diamond exploration properties near Kangerlussuaq, West Greenland. The drill was shipped in February from Canada and was delivered at Maniitsoq, on the west coast of Greenland, in early March. Drilling commenced in April after the drill was mobilized by air into the field.

During this period, Hudson undertook a ground-based geophysical survey over 5 areas where drilling was planned. Three of the areas on the north side of the Sondrestrom Fjord were not subsequently drilled due to lack of a defined target being generated. The program collected both magnetic and HLEM data. The purpose of the ground geophysical program was to integrate this data with the 2004 airborne Dighem survey and, therefore, prioritize drill site locations. The program was successful in determining that the ground-based program added significantly to the quality of the geophysical data. The program also focused heavily on areas where mineral chemistry in the tills has been determined to be derived from the diamond stability field. Highlighting the program were the Garnet Lake and the Spider Lake areas. The Garnet Lake area generated the significantly diamondiferous kimberlite discovered last summer when Hudson found 151 diamonds in a 108 kg sample, of which 9 were classified as macrodiamonds weighing a total of 0.088 carats. The Spider Lake area has diamondiferous kimberlite dikes radiating from a deep-seated circular anomaly within the lake. Grant Lockhart, Petra Geophysical Consulting, was responsible for reviewing the Dighem survey and preparing the exploration grids. He has provided quality control for the program.

The 2,000m drill program was then designed to test the various geophysical anomalies that are coincident with deep mantle kimberlite indicator minerals. Based on a report by Mineral Services Canada Inc. and Hudson's own experience in the field, it is believed that the source of the best kimberlite indicator mineral chemistry is very local in origin. Therefore, the drill program focused on geophysical anomalies which were coincident with deep mantle indicator minerals in order to enhance the probability that kimberlite drill intercepts will be significantly diamondiferous.

By mid-May, the Company had completed 1450m of drilling over 19 holes. The balance of the 2000m program was completed by mid-July. Kimberlite was intersected in each of the first 18 holes. The last hole proved to be a prospective sulphide target. Significantly, kimberlite was intersected coincident to the 2004 Garnet Lake kimberlite find. The intersection of kimberlite at this location establishes the presence of significant in-situ kimberlite associated with the prior diamond recovery.

Hudson completed six holes from four different setups on Garnet Lake. Approximately nine kimberlite intersections, averaging 0.78 m, were recovered per hole. The largest uninterrupted intersection of kimberlite was a near-surface occurrence of 4.26 m which has an expected true width of 3.9 m. Numerous pyrope coloured and eclogite coloured garnets are apparent in the matrix with mineralogy similar to diamond-bearing float collected in the near vicinity. The bodies appear to be mostly steeply dipping stacked dikes (approx. 40 degrees to vertical) although crosscutting sills also appear within the core. Drill holes were up to 100 m apart in the lake.

Six holes were drilled at Spider Lake, located 9 km east of Garnet Lake. Three holes were drilled within the lake into the very pronounced EM target and three on the shore over a dipole magnetic target coincident with the diamondiferous surface samples collected in 2003. The lake targets intersected a network of numerous shallow dipping stacked sills up to 1.70 m thickness often apparently only interrupted by small country-rock boulders. Holes averaged 28 intersections of 0.24 m of kimberlite. Approximately 10% of the core from lake-based targets is kimberlite. Unlike the Garnet Lake kimberlite, carbonate infiltration into the host kimberlite is very common averaging an additional 7% of lake-based targets. In some cases it is possible that these intercalated carbonated gneisses represent country rock xenoliths within larger kimberlite bodies. Kimberlite in shore-based holes is more sporadic with approximately 8 intersections of kimberlite per hole up to 3.66 m in thickness. This contrast in distribution suggests that the Spider Lake area is a focus of kimberlite activity. Throughout the core, the kimberlite is both competent and heavily altered and represents multiple phases of intrusion. This is also observed in the Garnet Lake core. It is believed that the flat lying stacked nature of this altered kimberlite is the source of the EM anomaly at Spider Lake.

Seven additional holes were drilled to the north (700 m), north-east (700 m), and east (1,400 m) of Garnet Lake. Six of these holes intersected kimberlite of various thicknesses up to 2.74m. At the location of a pronounced magnetic low feature, a total of 7 m of competent kimberlite was recovered from two principal locations within 65 m of core. This material is saturated in mantle nodules of the type found in abundance north of Garnet Lake during the summer 2004 program. The final hole targeted a pronounced magnetic high feature from which was recovered an uninterrupted 26.6 m intersection of sulphide-bearing ultramafic rock exhibiting unusually high magnetic susceptibility characteristics. Samples from this hole will be analysed for metals potential.

Diamond analysis was completed by the beginning of July. All three drill cores tested from the Garnet Lake area in West Greenland returned significant diamond counts. This result confirmed that this in situ material is the source of the significantly diamondiferous samples collected in the 2004 exploration program.

Drill Hole 05DS012, the closest of the three holes to the previous subcrop sample and the one sample that only tests the main kimberlite intersection, returned 15 diamonds from a 10.95 kg sample. In 2004, the subcrop sample returned a total of 151 from 107.9 kg of kimberlite. Drill Holes 05DS08 and 05DS10 each returned 6 diamonds from 14.4 kg and 14.15 kg of kimberlite, respectively. These two samples may be somewhat diluted due to numerous kimberlite intersections in the core which are unrelated to the main Garnet Lake body. The two largest diamonds measured 0.56 X 0.52 x 0.46 mm and 0.76 X 0.58 X 0.40 mm.

Kimberlite Sample	**Weight** (kg)	**Diamonds in Square Mesh Sieve Sizes** (microns)						**Total Diamonds**
		+75	+106	+150	+212	+300	+425	
Garnet Lake								
05DS08	14.40	2	-	2	1	-	1	6
05DS010	14.15	-	3	-	3	-	-	6
05DS012	10.95	2	6	-	2	5	-	15
Totals	39.50	4	9	2	6	5	1	27

Along with testing the Garnet Lake kimberlite intersections, Hudson tested kimberlite from 05DS01 and 05DS02 drill holes at Spider Lake. One microdiamond was recovered from 14.85 kg in 05DS01 and two microdiamonds were recovered from 26.8 kg in 05DS02. Kimberlite from each of the 18 drill holes is being analysed for kimberlite indicator mineral chemistry. This will then be compared against the Garnet Lake samples to further define other areas of high diamond potential.

High quality indicator mineral chemistry similar to that recovered from the Garnet Lake kimberlite has been found in the tills along the potential strike of the body for over 5 km. A high priority of this summer's exploration program is to find outcropping of kimberlite along strike and take much larger sample sizes to gain a better idea of the size and quality of the diamonds.

The samples were 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. Small samples have been removed from all kimberlite cores for heavy mineral study by the SRC and the remaining core, including three largely untouched Garnet Lake drill cores remain in a secure facility for further study and audit purposes. Dr. Mark Hutchison, Trigon GeoServices Ltd., is in charge of the exploration program and is responsible for the collection of the samples in Greenland and managed the chain of custody from the field to the SRC. Dr. John Ferguson has reviewed the program and is a qualified person under National Instrument 43-101.

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

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, 2005 and 2004 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.

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. 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 nil to minimal 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.

Title

There is no guarantee that title to properties in which the Company has a material interest 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 and officers: James Tuer, John Ferguson, Robert Chase and John Hick. The loss of any of one of those persons, or of employees 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 and directors 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

The Company 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, 2005 the Company's deficit was $725,139.

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 financial year ended March 31, 2005, the per share price of the Company's shares fluctuated from a high of $1.10 to a low of $0.25. There can be no assurance that continual fluctuations in price will not occur.

Shares Reserved for Future Issuance: Dilution

As at March 31, 2005, there were 1,465,000 stock options outstanding and 2,460,343 warrants outstanding pursuant to which shares may be issued in the future, all of which will 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, 2005 and 2004, the Company incurred the following transaction with a director/officer and an officer of the Company:

	2005	2004
Management fees	$ 92,000	$60,000

This transaction was measured by the exchange amount, which is the amount agreed upon by the transacting parties.

Amounts receivable includes $593 (2004: $650) due from a company with a common officer. Accounts payable and accrued liabilities include $6,449 (2004: $Nil) due to an officer and a company with a common officer.

COMMITMENTS

The Company has made certain commitments in the course of running its business. The other notable commitment is the annual exploration commitment on the Company's exploration licenses in Greenland. For 2005, the Company expects that total work expenditures will amount to approximately $725,000 in order to maintain all of its land holdings. The Company recognizes that it is desirable and required to reduce a portion of certain exploration licence prior to December 31, 2005. The Company does not believe that any planned reduction will have a material effect on the mineral potential of the overall licence area. Based on work done to date and work to be completed by the end of 2005, Hudson believes that it will meet all of the expenditure commitments required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

ACCOUNTING POLICIES

Accounting polices are listed in Note 3 and in Note 2 to the Financial Statements for March 31, 2005 and 2004 respectively. As well, readers should review Note 2 of the Financial Statements which outlines the recent change in accounting policy concerning the treatment of options.

SUBSEQUENT EVENTS

Subsequent to March 31, 2005, the Company completed certain exploration activities which have been reported above. There were no other subsequent events that have not been disclosed in this report.

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, 2005. This financial information is derived from the financial statements of the Company which were audited by Amisano Hanson. The Company prepares financial information according to Generally Accepted Accounting Principles ("GAAP") and all information is reported in Canadian $.

March 31 (Audited)	**2005**	**2004**	**2003**
Total Revenues	19,258	5,691	9,549
Income from continuing operations	-	-	-
Net loss for the year	(352,153)	(186,708)	(129,006)
Net loss per share	(0.04)	(0.03)	(0.03)
Total Assets	3,129,220	819,188	484,113
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 affected mainly by the administration costs and write off of exploration and mineral property costs incurred for each year. Revenues from 2003 to 2005 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.

Expenses are mainly composed of administration costs, general exploration costs and write off of exploration and mineral costs. The amount of a write off in each year is dependent upon the costs spent to date on the project(s) that is (are) being abandoned. Write offs of exploration and mineral property costs will vary from year to year and affect the Net Loss.

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, 2005. Financial information is prepared according to GAAP and is reported in Canadian $.

	Mar-31 2005	Dec-31 2004	Sep-30 2004	Jun-30 2004	Mar-31 2004	Dec-31 2003	Sep-30 2003	Jun-30 2003
Interest Income	$9,029	$6,375	$1,702	$2,152	$927	$1,152	$1,492	$2,120
Net loss	$(109,108)	$(111,121)	$(57,012)	$(74,912)	$(65,449)	$(61,635)	$(34,741)	$(24,883)
Net loss per share	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.00)

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has sufficient financial resources to undertake all of its planned exploration and possible development programs for the next twelve months. 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 (or joint venture) 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 the Company may consequently have its interest in the properties subject to such agreements jeopardised. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the 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 has working capital at March 31, 2005 of $1,595,698 compared with $572,436 as at March 31, 2004. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

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 16, 2005:

Authorized and issued share capital:

Class	**Par Value**	**Authorized**	**Issued**
Common	No par value	Unlimited	13,642,523

There are currently 1,465,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Price	Expiry
271,833	$0.15	February 7, 2006
375,000	$0.15	January 8, 2008
50,000	$0.20	December 5, 2008
100,000	$0.35	May 12, 2009
50,000	$0.35	May 25, 2009
618,167	$0.60	December 1, 2009
1,465,000		

There are currently 2,460,343 share purchase warrants outstanding, including 270,000 Agent's Warrants exercisable at $0.55 per share. The warrants have acceleration provisions that allow the Company to call for the early conversion of the warrants if the shares trade above the Early Conversion Price for a set number of trading days.

Number	Price	Expiry	Early Conversion Price
700,000	$0.40	August 16, 2005	$0.80
270,000	$0.55	November 15, 2005	N/A
1,250,343	$0.85	November 15, 2006	$1.40
240,000	$0.85	November 24, 2006	$1.40
2,460,343			

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