HUDSON RESOURCES INC.

Management Discussion and Analysis
(Form 51-102F1)
For the six months ended September 30, 2008
Information as of November 28, 2007 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 fiscal years ended March 31, 2008 and 2007 and the unaudited financial statements for the three and six months ended June 30 and September 30, 2008, respectively, together with the notes thereto, as well as, the Company's previous financial and MD&A reports. The material herein, as of November 28, 2008, updates the information as of August 28, 2008 contained in the MD&A of that report.

The accompanying financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles. These statements, together with the following management discussion and analysis dated November 28, 2008 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 September 30, 2008 and 2007 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

All dollar amounts are in Canadian Dollars unless otherwise indicated.

Overall Performance

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

The Company is currently actively exploring in six contiguous exploration licenses totaling approx 1,400 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. All of its exploration licenses are 100% held by the Company.

Since the Company is in the exploration phase of its development, its results are primarily determined by its exploration and administrative expenses net of interest income. The Company's net loss from operations for the six months ended September 30, 2008 totaled $471,444, a loss of $0.02 per share. In the comparative six month period ended September 30, 2007, the Company's loss was $476,263 or $0.02 per share.

This reduced loss, a reduction of $92,666 from the prior period, was primarily the result of a significant decrease in non-cash stock-based compensation of $63,959. A net positive change in foreign exchange costs accounted for an additional $19,434 in expense reductions. Management fees were higher by 18% reflecting the increased scope of the project. Shareholder communication costs have been scaled back, as have director's fees and travel and promotion.

The loss for the three-month period ended September 30, 2008 was $221,147, compared with $207,652 in the three months ended September 30, 2007. The increase in the loss for the quarter is attributable to a significant reduction in interest income of $61,197 offset by a $48,002 reduction in total administrative expenses. The reduction of interest income results from the use of previously held short term investments to fund exploration and administrative expenditures during the quarter. As with the six-month period, the reduction of administrative expenses was primarily the result of a reduction of non-cash stock-based compensation, the suspension of director's fees, reduced rent as a result of relocating the office and lower shareholder communication costs. Higher management fees somewhat offset these reductions.

Assets increased by $2,036,047 in the six-month period, from $14,302,717 at March 31, 2008 to $16,338,764 at September 30, 2007. The most significant changes in assets were a $1,263,880 reduction in cash and a $3,341,751 increase in resource properties. In order to fund the 2008 program, Hudson raised funds using a bridge loan from Teck Cominco Ltd. This loan has subsequently been converted into equity as discussed in Note 9 of the Company's 2nd quarter report for the period ended September 30, 2008. Proceeds from this financing were used to fund the Company's ongoing exploration program, including the upgrade and operation of the on-site diamond recovery plant and to cover operating expenses.

General and administrative expenses decreased 17%, from $564,110 in the six months ended September 30, 2007 to $483,996 in the six months ended September 30, 2008. This decrease of $80,114 is primarily attributable to stock-based compensation related to the vesting of previously issued stock options and foreign exchange gains.

General and administrative expenses decreased 22%, from $269,661 in the three months ended September 30, 2007 to $221,959 in the three months ended September 30, 2008. This decrease of $47,702 is attributable to stock-based compensation related to the vesting of previously issued stock options, reductions to rent, shareholder communication costs and foreign exchange gains.

Interest income was $12,552 for the six months ended September 30, 2008 (2007 – $87,847). Interest income for the three months ended September 30, 2008 was $812, compared with $62,009 in the comparative period in 2007. The decrease in both periods is due to the depletion of cash balances due to capital expenditures over the periods. Funds were invested in short term, secure term deposits until required for exploration.

Stock-based compensation expense of $213,560 for the six months ended September 30, 2008 (2007 - $277,519) accounted for approximately 44% of the Company's total general and administrative expenses as compared to 49% in the period ending September 30, 2007. In the three months ended September 30, 2008, stock-based compensation was $93,267 (2007 - $112,025), which represents 42% of total general and administrative expenses for that period. Stock-based compensation is a non-cash expense provision that may not reflect reality. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value or expense calculation of the Company's share purchase options.

Exploration Update

Since the previous Exploration Update provided in the Company's MD&A report dated August 28, 2008, Hudson successfully completed it's exploration activities and winterized all equipment and closed the exploration camp in Greenland. The 2008 field program was comprised of prospecting, drilling and bulk sampling and on-site processing of the Garnet Lake kimberlite dike.

Hudson completed the planned drill program totalling approximately 4,000m. In total 31 targets were drill tested. Fifteen holes were drilled as kimberlite targets. Of these, 12 holes intersected kimberlite, and samples from 11 of the holes were collected for analysis. Twelve holes were drilled in the immediate vicinity of the Garnet Lake dike to further delineate the body. Kimberlite was intersected in all twelve holes with significant intercepts being submitted for analysis. In addition to the kimberlite targets, two holes were drilled into the Sarfartoq carbonatite targeting niobium, tantalum and rare earth minerals. Samples from the drilling were shipped to Canada in September. Details of the drilling will be disseminated in a news release upon the review of field core logging and assay results.

A total of approximately 560 dry tonnes of kimberlite were processed through the on-site DMS facility. Sample material from two pits, approximately 1,200m apart, on the Garnet Lake dike were excavated and processed in the DMS plant. The material was generally crushed in three stages: -12mm, -6mm and -4mm. Four dry tonnes of kimberlite from the previously explored Spider Lake kimberlite were also processed through the plant. All concentrate was double sealed and tagged then placed into locked shipping containers for transport to the independent SRC laboratory in Canada for final diamond processing. The first container was shipped to Canada in July and the second container with the remaining concentrate and various core and rock samples departed Greenland in September.

General prospecting was undertaken during the period in order to locate additional kimberlite bodies. This methodology has successfully generated a number of new targets each year. Kimberlite samples were collected and submitted for analysis from a number of locations. Field crews also spent several weeks mapping and sampling the Sarfartoq carbonatite complex.

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, there can be no certainty that such additional financing will be obtained. The Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for Q2 2008 and Q2 2007 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

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

Environmental Factors and Protection Requirements

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

Mineral Exploration and Development

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

Operating Hazards and Risks

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

Economics of Developing Mineral Properties

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

Commodity Prices

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

Title

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

Governmental Regulation

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

Management and Directors

The Company is dependent on a relatively small number of directors and officers: James Tuer, Jim Cambon, John Ferguson, Robert Chase and John Hick. 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 September 30, 2008, the Company's deficit was $3,345,204.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the past 12 months, the Company's share price fluctuated from a high of $1.20 to a low of $0.07. There can be no assurance that continual fluctuations in price will not occur.

Shares Reserved for Future Issuance: Dilution

As at November 28, 2008, there were 2,755,000 stock options outstanding and no warrants outstanding pursuant to which shares may be issued in the future. This could result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2008 and 2007, the Company incurred the following transactions with a company with a common director and with officers and Directors of the Company:

	2008	2007
Accounting and legal fees	$ 5,180	$ 4,980
Directors' fees	-	11,000
Management fees	81,300	68,751
	$ 86,480	$ 84,731

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

SUBSEQUENT EVENTS

On November 5, 2008, Hudson announced that it had reached agreement with Teck Cominco Ltd. to convert the $2 million interim loan (which was fully drawn down during the period) into common shares of the Company at $0.40/share. As a result, Hudson issued Teck 5,000,000 common shares and extinguished the loan. As per the terms of the agreement, no interest was incurred by the Company over the period.

In November, Megan McGinley, the CFO of the company resigned her position due to personal health issues. James Tuer, has assumed the position. He was previously the CFO from the inception of the company until Ms. McGinley's appointment in May 2007.

There are no other material subsequent events that have not been discussed in this report or the financial statements for the period ended September 30, 2008.

COMMITMENTS

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

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with September 30, 2008. Financial information is prepared in accordance with GAAP and is reported in Canadian $.

	Sep-30 2008	Jun-30 2008	Mar-31 2008	Dec-31 2007	Sep-30 2007	Jun-30 2007	Mar-31 2007	Dec-31 2006
Interest Income	$812	$11,741	$24,472	$39,714	$62,009	$25,826	$14,197	$16,556
Net loss	$(221,959)	$(250,297)	$(341,144)	$(140,425)	$(207,653)	$(268,445)	$(261,965)	$(142,707)
Net loss per share	($0.01)	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)

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

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

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

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

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently concluding its 2008 exploration and development program. With a recently arranged $2 million loan facility, and subsequent conversion into common shares, the company anticipates that it will have sufficient cash to complete it's planned 2008 exploration program in Greenland. The Company will require additional financing in the third quarter in order to fund operations and continue the exploration and subsequent development of the Company's properties beyond the completion of the current program. 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.

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 its 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 a working capital deficit at September 30, 2008 of ($1,593,004) compared with a surplus of $2,006,183 at March 31, 2008. Subsequent to the end of the quarter, the Company converted the $2,000,000 interim loan into equity. Net working capital would have been $406,996 had this conversion occurred prior to September 30, 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 NOVEMBER 28, 2008:

Authorized and issued share capital:

Class	**Par Value**	**Authorized**	**Issued**
Common	No par value	Unlimited	35,571,266

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

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

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

OTHER INFORMATION

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

BY ORDER OF THE BOARD

"James Tuer"
James Tuer, President and Director

"Robert Chase"
Robert Chase, Director