HUDSON RESOURCES INC.
AMENDED
Management's Discussion and Analysis
(Form 51-102F1)
For the three and six months ended September 30, 2009
Information is as of November 27, 2009 unless otherwise stated

Note to Reader

The following management's discussion and analysis ("MD&A")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, 2009 and 2008 and the unaudited financial statements for the three and six months ended June 30 and September 30, 2009, respectively, together with the notes thereto, as well as, the Company's previous financial and MD&A reports. The material herein, as November 27, 2009, updates the information as of August 28, 2009 contained in the MD&A in respect of the financial statements for the first quarter ended June 30, 2009.

The accompanying financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles. These statements, together with the following MD&A dated November 27, 2009 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, 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 the periods ended September 30, 2009 and 2008 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

All dollar amounts are in Canadian Dollars unless otherwise indicated.

Overall Performance

Hudson is a mineral exploration company that, since 2002, has primarily focused its exploration activities on the search for diamonds in the Sarfartoq region of western Greenland. The recent increased interest in rare earth elements ("REE's") as critical metals required to drive "green" technologies, such as wind turbines and hybrid cars, has resulted in the Company developing an exploration program for these metals as well as for diamonds.

The Company is currently actively exploring for diamonds and REE's on six contiguous exploration licences totaling approx. 1,300 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. All of its exploration licences are 100% held by the Company.

Since the Company is in the exploration phase of its development, its results are primarily determined by its administrative expenses net of interest income. The Company's loss from operations for the three months ended September 30, 2009 ("Q2 2010") was $140,667, a loss of $0.00 per Share, compared to a loss of $221,959, or $0.01 per Share for the three months ended September 30, 2008 ("Q2 2009") and for the six months ended September 30, 2009 ("YTD 2010") the loss was $410,370, a loss of $0.01 per share, compared with a loss of $471,444 for the six months ended September 30, 2008 ("YTD 2009"), a loss of $0.02 per share.

This reduced loss for YTD 2010, a reduction of $61,114 from the prior period, was primarily the result of the following: a significant decrease in non-cash stock-based compensation (-$34k) and legal and audit fees (-$20k); a rent reduction, due to lower costs and free rent until October, 2009 (-$15k); a swing in foreign exchange costs (+$14k); the elimination of directors fees (-$11k); a reduction in office expenses (-$11k); and higher shareholder communication costs (+$10k). Interest income was reduced by $12,482, reflecting a significant drop in interest rates and net cash in the Company.

The loss for Q2 2010 was $140,635, compared with $221,147 in the three months ended September 30, 2008. The savings of $80,512, were mostly comprised of non-cash stock-based compensation (-$66k), rent (-$15k); foreign exchange (+$12k); office (-10K); legal and audit fees (-$9k) and slightly higher shareholder communication costs (+$6k).

Assets increased by $1,247,444 in the six month period, YTD 2010, from $16,205,010 at March 31, 2009, to $17,452,454 at September 30, 2009. Resource property assets increased by $812,738 as the Company operated its summer prospecting program followed up by over 1,300m of drilling in September. The bulk of this amount (47%) was for helicopter costs followed by direct drilling costs (22%). The Company completed a $0.20 private placement for $1,060,000 announced in the last report. These funds resulted in cash increasing by $488,462 over the period.

General and administrative expenses decreased by 37%, from $221,959 in Q2 2009, to $140,667 in Q2 2010. This $81,292 decrease is primarily attributable to a $66,241 decrease in non-cash stock based compensation resulting from the timing of vesting of stock options. Over the six-month period ending September 30, 2009, general and administrative expenses decreased by 15%, from $483,996 in YTD 2009, to $410,370 in YTD 2010. This $73,626 decrease is primarily attributable to the non-cash stock based compensation and reductions in legal and audit expenses, as discussed above.

Interest income was $70 for YTD 2010 (YTD 2009 – $12,552). Interest income for Q2 2010 was $32, compared with $812 in Q2 2009. 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 or held in the Company's bank account pending exploration requirements.

Stock-based compensation expense of $27,026 for Q2 2010 (Q2 2009 - $93,267) accounted for approximately 19% of the Company's total general and administrative expenses compared to 42% in Q2 2009. In the six-month period YTD 2010, stock-based compensation expense of $179,444 (YTD 2009 - $213,560) accounted for approximately 44% of the Company's total general and administrative expenses, the same amount as YTD 2009. 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, 2009 in respect of the Company's financial statements for the three months ended June 30, 2009, Hudson's objective was to successfully execute a 1,000m fall drill program. From then until the date of this report, Hudson successfully drilled 9 holes, totaling 1,330m of drill core, and completed the analysis of the results. The most significant conclusions and results can be found in the presentations located on the Company's home page at www.hudsonresources.ca.

<u>Rare Earth Element Project</u>

Three holes (355 m) were completed on the ST40 target, four holes (573 m) on the ST1 target and two holes (402 m) on the ST19 target. All three target areas underwent surface exploration earlier in the year and yielded significant REE results.

Complete assay results are available on the Company's website. Highlights are as follows:

ST1	• 50.25m of 2.19% TREO including 9.55m of 3.98% TREO in Hole SAR09-04 • 29.90m of 1.38% TREO including 12.45m of 2.18% TREO in Hole SAR09-05 • 63.10m of 1.02% TREO including 11.95m of 1.50% TREO in Hole SAR09-06 • Neodymium oxide and praseodymium oxide average over 25% of the TREO
ST40	• 10.22m of 1.36% TREO in Hole SAR09-03 • Neodymium oxide and praseodymium oxide average over 54% of the TREO • Europium oxide averages 1.3% of the TREO
ST19	• 16.00m of 1.02% TREO with several smaller intersections of more than 1% TREO

Drill Hole	**Area**	**Length (m)**		**From (m)**	**To (m)**	**Width (m)**	**TREO%**[1]	**Nd2O3+Pr2O3**[2] **TREO**	**Eu2O3**[2] **TREO**
SAR09-01	ST-40	105.50		46.05	47.10	1.05	1.24%	52.4%	1.2%
				80.70	84.50	3.80	0.99%	23.3%	0.5%
SAR09-02	ST-40	122.00		119.75	120.25	0.50	1.60%	52.0%	0.9%
SAR09-03	ST-40	128.10		92.20	102.42	10.22	1.36%	54.3%	1.3%
SAR09-04	ST-1	131.15		61.35	111.60	50.25	2.19%	24.7%	0.3%
			incl.	66.60	82.10	15.50	2.65%	24.5%	0.3%
			incl.	90.35	109.55	19.20	3.23%	25.0%	0.4%
			incl.	100.00	109.55	9.55	3.98%	22.1%	0.3%
SAR09-05	ST-1	149.50		25.75	55.65	29.90	1.38%	27.0%	0.5%
			incl.	43.20	55.65	12.45	2.18%	27.2%	0.4%
				101.05	121.75	20.70	1.67%	21.9%	0.4%
SAR09-06	ST-1	137.30		61.40	124.50	63.10	1.02%	25.9%	0.5%
			incl.	62.05	74.00	11.95	1.50%	29.8%	0.6%
			incl.	100.00	112.00	12.00	1.33%	24.2%	0.5%
SAR09-07	ST-1	155.60		86.50	87.20	0.70	2.43%	21.6%	0.3%
				134.80	136.50	1.70	3.10%	23.0%	0.4%
SAR09-08	ST-19	201.30		156.00	172.00	16.00	1.02%	17.6%	0.3%
SAR09-09	ST-19	201.30		No significant values above 0.80%					

Note: 1. All elements reported by ALS Chemex in parts per million (ppm). Total Rare Earth Oxides (TREO%) are converted using atomic weights based on the formula REE_2O_3.
2. Neodymium and Praseodymium and Europium oxide expressed as a percentage of total rare earth oxides.

Each hole intersected highly altered granodiorite gneisses with a stockwork of carbonate veins and carbonatite dykes and intrusive breccias that form the outer margin of the carbonatite complex. Coarse-grained iron-rich carbonatite bodies were intersected at both ST1 and ST40 drill holes and they host the highest grade REE's mineralization. The rare earth minerals are associated with hematite and calcite masses and preliminary mineralogical studies have identified REE phosphates and REE fluorocarbonates.

TARGET AREAS

ST1 – is a 1000m by 500m radiometric anomaly located 3km west of ST40. Four holes were drilled in ST1, which is located on a well-exposed hillside. Two holes were drilled from the top of the feature and two were drilled from the creek bed below and into the feature. All four holes intercepted varying amounts (between 1.7m and 63.1m) of mineralised iron-rich carbonatite. Each hole was separated by an average distance of 175m (see map on Hudson's website for details).

Further drilling is required to confirm the geological model associated with the higher-grade intersections. Hudson management is extremely encouraged that the wide intersections support a large tonnage potential in the area.

ST40 – Three holes were drilled in ST40 to test a well-defined radiometric anomaly measuring approximately 1000m by 250m. At the heart of the anomaly, nine sub-crop rock samples were collected within an area measuring 125m by 100m. Seven of the surface samples produced assays ranging from 2.5% to 5.3% TREO.

All three holes intersected weak to strong alteration associated with a stockwork of carbonate veins showing evidence of multiple hydrothermal events. A mineralized coarse-grained iron-rich carbonatite body was intersected in SAR09-03 and SAR09-02 - 150 meters apart. In Hole SAR09-03 this body is 10.22m thick (estimated true width) starting at 92.20m.

The carbonatite body at ST40 is unique in that neodymium and praseodymium comprise a high proportion (greater than 54%) of the TREO content. As well, the halo of altered rocks in proximity to the iron-rich carbonatite demonstrates this unique distribution. Neodymium oxide, together with praseodymium oxide, averaged 7425 ppm and europium oxide averaged 180 ppm over the 10.22m intersection from hole SAR09-03.

Neodymium is one of the more valuable rare earths, as it is a key component in neodymium-iron-boron super magnets used in motors for wind turbines, hybrid cars, and other green technologies. Neodymium oxide currently trades for approximately US$20/kg. Similarly, europium is amongst the least abundant of the rare-earth elements and is a critical component in flat panel display technology. Europium oxide currently trades for around US$500/kg.

ST40 and ST1 appear to be linked by the iron rich oxidation and carbonatite dykes with REE mineralization (0.5% to 2.0% TREO) that can be followed from the ST40 to the ST1 area. This could provide over 2.5 km of potentially favourable rocks. The samples between ST1 and ST40 are intriguing because they also contain an average of 1.4% niobium oxide (Nb_2O_5) which could be related to niobium intersected in Hole 4 of ST1 (1.6m of 1.2% Nb_2O_5). Niobium oxide currently trades for approximately US$45/kg.

ST19 – This area is located on the southern extension of the outer ring structure approximately 10km south of ST1 and ST40. It lies within a large radiometric anomaly approximately 2500m by 500m along a very steep valley with excellent rock exposure. A 450m by 125m sub-area located along the base of a 150m cliff produced some of the highest REE assays (up to 8.9% TREO) of the program.

In order to test this zone, two drill holes (SAR09-08 and SAR09-09,) were drilled from the top of the North Cliff at steep angles to the South. The collars are 350 meters apart. These holes failed to intersect the higher mineralized zones. Hole SAR09-08 intersected significant hematite alteration with associated carbonate veins including 16m of 1.01% TREO. A key priority of the 2010 drilling program will be to establish drilling sites at the base of the canyon wall to test the high-grade surface anomalies.

A strict QA/QC program was followed which includes the use of elemental standards, duplicates and blanks. All drill core was split in the field. Half of the core was sent to ALS Chemex for analysis. The remaining half was left on-site for future reference. All samples were analyzed by ALS Chemex in Vancouver, BC, using lithium borate fusion, acid dissolution and ICP-MS analysis (ALS method ME-MS81h). According to ALS Chemex, this procedure solubilizes most minerals, including refractory species, and provides the most quantitative analysis for many elements, including the REE.

In November, Jim Cambon, VP Project Development, and James Tuer, President, attended the 5th International Roskill Conference on Rare Earths, in Hong Kong. The conference was very well attended by most of the key players in the industry: producers and near producers, explorers, processors/manufacturers, traders, consultants, and end users. Presentations were made by a number of companies from each of the industry categories. Each company has a particular interest in, and viewpoint about, the state of the rare earth industry but in general there is a consensus that there will likely be a supply shortfall in the near future, and possibly as early as 2010 for some elements.

The following comments are based on presentations made at the conference by various companies. An agenda can be provided to any interested parties by emailing the Company at info@hudsonresources.ca.

From Hudson's point of view, existing producers, which essentially means Chinese mines, are currently managing the supply of ore to match demand. Consolidation is occurring and mining costs are increasing as the pressure to operate in an environmentally prudent fashion is exerted by the central authorities. Supply/demand was significantly reduced due to recent economic crisis. End users de-stocked due to uncertain demand. Most participants believe that the industry is now re-stocking supplies and prices are firming (neodymium is up 33% in the last two quarters). There is a belief that the Chinese operations are now running at bare minimum sustainable cash costs suggesting that there will be added pressure on the upside for prices.

The non-Chinese based producers, such as Molycorp and Lynas, may be able to take up the slack in supply in order to meet demand in the short term but are not believed to be able to support significant growth in the industry suggesting the potential of a significant supply shortage despite the added supply over the next 5-10 years. In the meantime, even the Chinese are busy sourcing other potential supplies outside China.

The end users, especially in Japan, are seeking alternative sources of finished product outside of China. Of course there isn't any at the moment. I expect that they will look as far down the chain as the junior explorers in order to secure a future source of product.

Growth forecasts for rare earth oxide's ("REO" – the commercial form of the rare eath element) are greater than the known potential supply coming into the market. "Security of Supply" is the single most important consideration. Importantly, neodymium could be a major driver for new technologies but could also be in a serious supply deficit. All of this bodes well for Hudson, considering the high proportion of neodymium in parts of Hudson's Safartoq project in Greenland

A premium will be commanded for companies that can potentially get their product to market in the shortest time frame and we firmly believe that Greenland's mining-friendly policies and shortened permitting timelines compared to North America should allow us to advance the project rapidly if it proves to be economic.

The Sarfartoq Carbonatite Complex is one of the largest carbonatite complexes in the world with approximate dimensions of 13 X 8 km. It is located near tidewater and adjacent to excellent potential hydroelectric sites.

All samples were processed by ALS Chemex in Vancouver, BC. The samples were analysed by lithium metaborate/tetraborate fusion prior to acid dissolution and ICP-MS, being ALS sample method ME-MS81H.

Dr. Danielle Giovenazzo, who was on site and managed the drilling program and QA/QC programs, reviewed this this MD&A disclosure with respect to the drill results and is a qualified person under National Instrument 43-101.

Dr. Peter Le Couteur, who has acted as a consultant geologist to Hudson, reviewed this MD&A disclosure with respect to the comments concerning the Roskill Conference in Hong Kong and is a qualified person as defined by 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 September 30, 2009 and 2008 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

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

Environmental Factors and Protection Requirements

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

Mineral Exploration and Development

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

Operating Hazards and Risks

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

Economics of Developing Mineral Properties

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

Commodity Prices

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

Title

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

Governmental Regulation

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

Management and Directors

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

Conflicts of Interest

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

Limited Operating History: Losses

As the Company is still in the exploration phase of its development, it has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at September 30, 2009 the Company's deficit was $4,123,852.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the past 12 months, the Company's share price fluctuated from a high of $0.74 to a low of $0.05. There can be no assurance that continual fluctuations in price will not occur.

Shares Reserved for Future Issuance: Dilution

As at November 27, 2009, there were 4,095,000 stock options outstanding and 5,305,000 warrants outstanding pursuant to which shares may be issued in the future.

RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2009 and 2008, the Company incurred the following transactions with a company with a common director and with officers and Directors of the Company:

	Three months ended	
	September 30, 2009	September 30,
Accounting and legal fees	$ -	$ 5,180
Management fees	81,300	81,300
	$ 81,300	$ 86,480

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

SUBSEQUENT EVENTS

There are no 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 2009, Hudson believes that it has met all of the expenditure commitments required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with September 30, 2009. Financial information is prepared in accordance with GAAP and is reported in Canadian $.

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.

	Sep-30 2009	Jun-30 2009	Mar-31 2009	Dec-31 2008	Sep-30 2008	Jun-30 2008	Mar-31 2008	Dec-31 2007
Interest Income	$32	$38	$142	$916	$812	$11,741	$24,472	$40,182
Net loss	$(140,635)	$(269,665)	$(130,205)	$(238,143)	$(221,147)	$(250,297)	$(341,144)	$(140,425)
Net loss per share	($0.01)	($0.01)	($0.00)	($0.01)	($0.01)	($0.01)	($0.01)	($0.00)

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

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

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently conducting its 2009 exploration and development program. With the recently completed $1,060,000 capital financing, the Company expects to have sufficient funds available to complete the 2009 exploration program as currently contemplated and to finance non-exploration operations over the next year. The Company expects that additional financing will be required in the future, depending on the results of the 2010 exploration and development program. The exploration and subsequent development of the Company's properties beyond that will depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and consequently, the Company's interest in the properties subject to such agreements could be jeopardised. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the total cost required to complete recommended programs.

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

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

The Company had working capital at September 30, 2009 of $789,012 compared with $479,724 at March 31, 2009. 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, 2009:

Authorized and issued share capital:

Class	**Par Value**	**Authorized**	**Issued**
Common	No par value	Unlimited	49,156,266

There are currently 4,095,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
543,167	$0.60	December 1, 2009
923,333	$0.50	January 4, 2011
58,500	$0.60	January 4, 2011
100,000	$0.80	February 3, 2011
50,000	$0.80	April 26, 2011
450,000	$1.00	June 15, 2012
470,000	$0.51	April 23, 2013
1,500,000	$0.10	April 3, 2014
4,095,000		

There are currently 5,305,000 share purchase warrants outstanding as follows:

Number	Exercise Price	Expiry Date	Early Conversion Price
5,305,000	$0.30	January 13, 2011	$0.50

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