HUDSON RESOURCES INC.

(An Exploration Stage Company)

Management Discussion and Analysis

(Form 51-102F1)

For the Three and Six Months Ended September 30, 2013

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Hudson Resources Inc. ("Hudson" or the "Company") during the three and six months ended September 30, 2013 ("Q2 2014" and "YTD 2014", respectively) and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed interim financial statements of the Company and the notes thereto for the three and six months ended September 30, 2013 (the "Financials"). Consequently, the following discussion of performance and financial condition should be read in conjunction with the Financials. The Financials have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Hudson is available on SEDAR at www.sedar.com and on the Company's website at www.hudsonresources.ca.

This MD&A contains information up to and including November 29, 2013.

FORWARD-LOOKING INFORMATION

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 14 of this MD&A.

OUTLOOK

The White Mountain Anorthosite Project is the primary development focus for the Company at this time. Laboratory testing of samples by a number of potential customers, or partners, in the world-wide E-glass market has indicated potentially superior characteristics compared with feedstocks being presently used. The Company is now focused on establishing the processing and distribution options, with associated economics, for production. As of the date of this MD&A, Hudson has:

- Completed the 2013 field program which confirmed the priority resource development area;
- Processed a moderately large bulk sample for testing in a production furnace, expected beginning of 2014;
- Advanced road and port construction at the resource in preparation for further bulk sampling;
- Received a draft prefeasibility study for review.

In addition to the potential as an E-glass feedstock, the Anorthosite has metallurgical potential as a future source for aluminum production. An independent research laboratory successfully produced alumina from this mineral and work is now underway to establish the grade of the alumina and potential for use as a smelter feedstock.

Further development of the Sarfartoq Carbonatite Project, a source of certain rare earth minerals, is dependent upon the world market for such metals which is more cyclical than the demand for E-glass.

GENERAL

The Company is a junior mineral exploration company listed on the TSX Venture Exchange and is 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 YTD 2014 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

As of the date of this MD&A, the Company holds cash and cash equivalents of approximately $3.00 million. Management believes that the current cash position of the Company is sufficient to support the operations for the next twelve months. Although the total cash outflow in respect of operating and investing activities for YTD 2014 was $2,291,468 and $246,073, respectively, the Company has the ability to reduce it spending going forward if necessary, without negatively affecting its property holdings in Greenland.

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.

EXPLORATION UPDATE

Since the previous Exploration Update provided in the Company's MD&A report dated August 29, 2013 in respect of the Company's financial statements for the quarter ended June 30, 2013, Hudson completed its 2013 Greenland field program in mid-October which focussed on additional exploration drilling and road construction for a bulk sample extraction. The second year of Environmental Impact Analysis ("EIA") and Social Impact Analysis ("SIA") activities were completed and the Company conducted open house community visits in Greenland as part of the permitting process. The Company continues to provide samples and to negotiate with E-Glass end users in Asia, North America and Europe. Alumina production testwork continued with metallurgical programs at SGS Canada Inc.'s Lakefield lab facility. The Company was successful in producing a high quality alumina product and additional testwork is ongoing.

At the White Mountain project, the results from the 10 hole (575 meter) drill program and 125 m channel sample program were received. This drill target was approximately six kilometres from the furthest west target drilled to date where the 120 tonne bulk sample was extracted. The 2013 drill results confirm that the calcium feldspar plagioclase is of the same quality as previous results from the 2012 drill program, but it was determined that the consistency of the body, when looking at the inclusion of potential contamination from cross cutting dikes, is not as attractive as the current resource outlined by Hudson in 2012. Therefore, the plan is to prepare the mining application for the original pit area where the120 tonne bulk sample was extracted.

Processing of the 120 tonne anorthosite bulk sample extracted in 2012 has been completed with the expectation that the material will be used in a furnace trial test by a major E-Glass producer in January 2014. Larger samples have been requested by a number of E-Glass producers to test the material on a commercial scale as a key step to establishing off-take agreements.

Hudson is currently installing the necessary infrastructure at site to extract these larger bulk samples. To date, the first two kilometres of road access have been completed at site in Greenland. It is expected that it will take three months to complete the access road to the pit area. This would allow the extraction of much larger samples by the summer of 2014. Hudson hopes to have completed the permitting process for a mine exploitation license within this timeframe based on submitting permit application submissions in early 2014.

Three key studies required for the submission of an exploitation licence and mining permit are on track for completion in early 2014. These studies include a bankable feasibility study, EIA and SIA. Both the EIA and SIA studies will be available to the public. The prefeasibility/feasibility study may not be made publically available in its entirety due to confidentiality issues and sensitivities during off-take agreement negotiations.

In September, Hudson management attended the China Composite Expo in Beijing. All of the major fiberglass manufactures were exhibiting at the same show. In conjunction with this, Hudson met with the Zhengzhou Research Institute, the R&D division of Chalco, to discuss the alumina potential of the White Mountain project. The basis of the meeting was the fact that Hudson had successfully produced alumina (aluminum oxide) from initial bench-scale testing on the calcium feldspar anorthosite from its White Mountain Project. The objective of the testwork, which was undertaken at SGS Lakefield under the supervision of Hudson's consulting metallurgist, Dr. John Goode, P. Eng., was to produce smelter grade alumina (SGA). A presentation summarizing the technical results has been posted to Hudson's website at www.hudsonresources.ca/files/Sept-2013-Alumina.pdf.

As announced in January 2013 (NR-2013-02), testwork using hydrochloric acid (HCl) leaching demonstrated the high solubility of the anorthosite material at normal atmospheric pressure and relatively low temperatures of 100 degree Celsius. Alumina recoveries from the latest four tests ranged from 95% to 98%. The process also generated an amorphous silica by-product which has applications in the Portland cement industry. Little to no waste material is produced from the process. Following the success of the small scale tests, larger scale tests have now been initiated at SGS to produce sufficient alumina for analysis by potential end users in the aluminum industry.

The high solubility of the White Mountain Anorthosite, which is unique to high calcium feldspars, eliminates the need for an expensive high temperature and high pressure leaching process. Hudson has utilized and improved upon existing, unpatented aluminum chloride production processes and does not require any new technologies to produce a high quality product.

Additional test work has commenced in order to:

1. Reproduce the results with larger sample batches;
2. Perform additional SGA analyses to analyze the physical properties of the alumina;
3. Provide sufficient samples for the aluminum producers to test efficacy of the alumina in the production of aluminum;
4. Confirm the flowsheet in order to determine the preliminary economics to produce the alumina

Currently, the world supply of alumina comes from bauxite deposits located in the Southern Hemisphere. Hudson's White Mountain project is strategically located close to aluminum smelters in Eastern Canada, Iceland and Europe. As well, traditional processing of alumina using the Bayer process produces a significant amount of red mud waste material. The process being developed by Hudson does not produce red muds. It is expected that the by-product material will be a marketable material resulting in minimal tailings.

In November, the Government of Greenland announced that it has lifted a 25 year old zero-tolerance policy towards radioactive elements. Hudson has two projects that will be positively impacted by this historic change. The Sarfartoq Carbonatite Complex contains two significant independent projects; the ST1 rare earth project, and the SU1 Niobium/Tantalum project.

The ST1 Zone at Sarfartoq represents one of the industry's highest ratios of neodymium and praseodymium to TREO, averaging 25%, based on the Company's published 43-101 inferred mineral resource. As documented in the resource model, the ST1 Zone contains over 27 million kilograms of neodymium oxide and 8 million kilograms of praseodymium oxide, which are the key components in permanent magnets and the fastest growing sector of the rare earths industry. The ST1 Zone contains approximately 500 ppm Thorium and 10 ppm Uranium.

The SU 1 Project, located approximately 10 km south of the ST Zone is focussed on a pyrochlore-rich lens discovered in the early 1990s by The Hecla Mining Company and briefly worked in the early 2000s by New Millennium Resources NL of Australia. Uranium abundance in this lens is directly related to pyrochlore abundance. Surface sampling of this lens by Hudson in 2008 (reported December 4, 2008, NR2008-10) confirmed high values of niobium (40.32% Nb_2O_5), uranium (1.02% U_3O_8), and tantalum (0.91% Ta_2O_5) together with elevated levels of rare earth elements (0.70% TREO).

Despite the fact that 96% of the potential SU1 rock value is allocated to niobium and tantalum, the high amount of uranium present in the pyrochlore resulted in Hudson deferring any additional exploration until a decision to change the zero tolerance uranium policy had been made. Hudson will now review its options for advancing the project as more details on the uranium policy are made clear by the government. The Company has no interest in exploring the project for uranium as a primary element. The change in policy will also give the Sarfartoq rare earth project a clearer path to development.

Qualifications

Dr. Michael Druecker is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure.

John R. Goode is the Qualified Person as defined by NI 43-101 who reviewed the preparation of the scientific and technical metallurgical information in this MD&A.

RESULTS FROM OPERATIONS

Selected Information

	For the six months ended		
	September 30, 2013	September 30, 2012	September 30, 2011
Interest and miscellaneous income	$ 22,369	$ 62,188	$ 84,972
Net loss	(2,483,028)	(4,242,079)	(5,435,388)
Basic and diluted loss per share	(0.03)	(0.05)	(0.07)

As at:	September 30, 2013	March 31, 2013	March 31, 2012
Balance Sheet Data			
Cash and cash equivalents	$ 3,938,558	$ 6,476,099	$ 11,942,311
Resource properties	761,513	743,780	705,221
Total assets	5,130,372	7,559,588	13,076,232

Three months ended September 30, 2013 compared with Three months ended June 30, 2013 ("Q1 2014")

The Company incurred a net loss of $1,741,289 for Q2 2014 representing an increase of $999,550 when compared with a net loss of $741,739 for Q1 2014. This increase was primarily the result of an increase in evaluation and exploration costs which were partially offset by a decrease in share-based payments.

Evaluation and exploration costs increased by $1,008,423, to $1,449,015 for Q2 2014 from $440,592 for Q1 2014. During Q2 2014, the evaluation and exploration costs incurred on the White Mountain project increased by $987,586, to $1,393,566 from $405,980 for Q1 2014. The Company has been focusing on advancing the White Mountain project to determine its viability.

Share-based payments were $53,944 for Q2 2014 compared to $85,525 for Q1 2014. This decrease in share-based payments resulted from a decrease in the number of options vesting and a corresponding decrease in recognition of expense during the period.

Three months ended September 30, 2013 compared with Three months ended September 30, 2012 ("Q2 2013")

The Company incurred a net loss of $1,741,289 for Q2 2014 representing a decrease of $451,779 when compared with a net loss of $2,193,068 for Q2 2013. This decrease was primarily the result of a decrease in evaluation and exploration costs and management fees.

Evaluation and exploration costs decreased by $265,357 to $1,449,015 for Q2 2014 from $1,714,372 for Q2 2013. The decrease is primarily the result of the reduction in exploration activities on the Sarfartoq project in Q2 2014 compared to Q2 2013. During Q2 2014, the evaluation and exploration costs incurred on Sarfartoq project decreased by $832,720, to $55,449 from $888,169 for Q2 2013. The decrease in evaluation and exploration expenditures on Sarfartoq project is partially offset by the increase in evaluation and exploration expenditures on White Mountain project. During Q2 2014, the evaluation and exploration costs incurred on White Mountain project increased by $567,363, to $1,393,566 from $826,203 for Q2 2013. The Company has been focusing on advancing the White Mountain project to determine its viability.

Management fees were $135,000 for Q2 2014 compared to $323,750 for Q2 2013. The decrease in management fee was due to the bonuses paid to the Company's management during Q2 2013. No such bonuses were paid to management during Q2 2014.

Six months ended September 30, 2013 compared with Six months ended September 30, 2012 ("YTD 2013")

The Company incurred a net loss of $2,483,028 for YTD 2014 representing a decrease of $1,759,051 when compared with a net loss of $4,242,079 for YTD 2013. This decrease was primarily the result of a decrease in evaluation and exploration costs and management fees.

Evaluation and exploration costs decreased by $1,603,227 to $1,889,607 for YTD 2014 from $3,492,834 for YTD 2013. The decrease is primarily the result of the reduction in exploration activities on the Sarfartoq project in YTD 2014 compared to YTD 2013. During YTD 2014, the evaluation and exploration costs incurred on the Sarfartoq project decreased by $1,813,755, to $90,061 from $1,903,816 for YTD 2013. The decrease in evaluation and exploration expenditures on the Sarfartoq project is partially offset by the increase in evaluation and exploration expenditures on the White Mountain project. During YTD 2014, the evaluation and exploration costs incurred on the White Mountain project increased by $210,528, to $1,799,546 from $1,589,018 for YTD 2013. The Company has been focusing on advancing the White Mountain project to determine its viability.

Management fees were $270,000 for YTD 2014 compared to $440,000 for YTD 2013. The decrease in management fee was due to the bonuses paid to the Company's management during YTD 2013. No such bonuses were paid to management during Q2 2014.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012
Interest income	$ 4,774	$ 17,595	$ 40,769	$ 23,478
Net loss	(1,741,289)	(741,739)	(1,034,697)	(1,190,991)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.01)

	Three months ended			
	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011
Interest income	$ 24,466	$ 37,722	$ 50,881	$ 47,742
Net loss	(2,193,068)	(2,049,011)	(749,769)	(1,176,224)
Basic and diluted loss per share	(0.03)	(0.03)	(0.01)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

Hudson has now completed its calendar year 2013 field program. It is now preparing the necessary reports to apply for an exploitation permit on the White Mountain project and conducting metallurgical studies at SGS Lakefield, among other things. With working capital of $3.7 million as of September 30, 2013, the Company expects to have sufficient funds available to complete the 2013 Programs and to finance non-exploration operations for the next 12 months.

The exploration and subsequent development of the Company's properties beyond the completion of the exploration program and the next 12 months will depend on the Company's ability to obtain additional required financing. While the Company has some ability to reduce its budgets and expenditures, which could extend the time before which it would need to raise additional funds, any such actions could have a negative effect on its business. 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 the Greenland exploration licenses overseen by the Government of Greenland, Bureau of Minerals and Petroleum ("BMP"). The Company may, in the future, be unable to meet its obligations under such agreements to which it is a party and consequently, the Company's interest in the properties subject to such agreements could be jeopardized.

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 the required financing.

The Company's future 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 affected by 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, 2013 of $3,704,982 (March 31, 2013: $6,285,097). 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.

OUTSTANDING SHARE DATA

As at September 30, 2013 and the date of this MD&A, the Company had 80,186,766 common shares issued and outstanding.

During the six months ended September 30, 2013, 370,000 stock options expired unexercised.

As of the date of this MD&A, the Company had the following stock options outstanding:

- 7,175,000 stock options outstanding, each of which is exercisable for one common share at prices ranging from $0.10 to $0.95.

RELATED PARTY TRANSACTIONS

During the YTD 2014 and YTD 2013, respectively, the Company incurred the following expenses with a company with a common director and with directors and officers of the Company.

	For the six months ended September 30, 2013			
	Management fees	Accounting and legal fees	Directors' fees	Total
President	$ 115,000	$ -	$ -	$ 115,000
Chief Financial Officer	-	53,352	-	53,352
VP Project Development	105,000	-	-	105,000
Directors	-	-	50,000	50,000
	$ 220,000	**$ 53,352**	**$ 50,000**	**$ 323,352**

	For the six months ended September 30, 2012			
	Management fees	Accounting and legal fees	Directors' fees	Total
President	$ 215,000	$ -	$ -	$ 215,000
Chief Financial Officer	-	50,440	-	50,440
VP Project Development	185,000	-	-	185,000
Directors	-	-	40,000	40,000
	$ 400,000	**$ 50,440**	**$ 40,000**	**$ 490,440**

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

The balances due to related parties included in trade payables and accrued liabilities were $16,880 as at September 30, 2013 (March 31, 2013 – $55,934). These amounts are unsecured and non-interest bearing.

COMMITMENTS

The Company has made certain commitments in the course of running its business. In addition to office lease commitments disclosed in the Company's financial statements, the most notable commitment is the annual exploration commitment on the Company's exploration licences in Greenland. Commitments can be reduced and/or eliminated by dropping and/or reducing licences by the end of each calendar year. Based on work done to date, Hudson believes that it has met all of the expenditure commitments for 2013 required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

The Company currently has three exploration licences in Greenland, the Naajat EL (2002/06), the Sarfartoq EL (2010/40) and the newly granted Pingasut EL (2013/01). In 2012, Hudson was granted two licence renewals. The Sarfartoq EL was amended to include portions of the Nalussivik, Sarfartuup Qulaa, Sarfartoq Valley and Arnanganeq exploration licences as well as annex portions of the Sarfartoq EL and add additional ground that extends the licence area to the fjord. The total area was reduced from 1,351 sq. km. to approximately 687 sq. km. As a result of the application, five previous licences will be incorporated into one new Sarfartoq EL that is focused on the rare earth project. The Naajat EL was renewed for its industrial mineral potential for exploration years 11 and 12 and the licence area was reduced from 190 sq. km. to approximately 96 sq. km. In addition, Hudson applied for and was granted a non-exclusive prospecting licence for the west coast of Greenland. The Naajat EL includes the White Mountain Anorthosite Project ("White Mountain"). The licence allows the Company to prospect ground outside of its existing 3 licences. In the event that Hudson wishes to apply for a future exploration licence on additional areas, funds expended from the prospecting can be carried over to the new licence area.

Resource Properties

<u>Naajat (White Mountain) Mineral Claim (2002/06), Greenland</u>

The total work commitment for 2013 is 3,000,000 DKK. The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. Work commitments for 2012 have been approved. The Company's licence expires December 31, 2013. The Company can apply prior to December 31, 2013 for an additional two year exploration period. Hudson has accrued sufficient credits from previous expenditures to carry the licences beyond December 31, 2013

<u>Sarfartoq Mineral Claim (2010/40), Greenland</u>

The total work commitment for 2013 is 6,000,000 DKK. The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. Work commitments for 2012 have been approved. The Company's licence expires December 31, 2013. The Company can apply prior to December 31, 2013 for an additional two year exploration period.

Pingasut Mineral Claim (2013/01), Greenland

This licence was granted on August 9, 2013. The total work commitment for 2013 is 360,000 DKK. The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. The Company's license expires December 31, 2018.

FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents, amounts receivable and deposits as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

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

The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness (Canadian financial institution with funds held secured by provincial government – AAA rated).

The Company manages liquidity risk by maintaining sufficient cash balance to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash and cash equivalents. As at September 30, 2013, the Company's cash is subject to or exposed to interest rate risk. However, this risk is not significant.

The Company has operations in Canada and Greenland subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars, US dollars, Danish kroners ("DKK") and European dollars ("EURO") and the fluctuation of the Canadian dollar in relation to the other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

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 YTD 2014 and YTD 2013 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 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 and the subsequent analysis of the technical and financial feasibility of developing such properties. 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 rare earths or industrial minerals 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, landslides 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 commercially extract the respective ores/ commodities contained therein 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 REE and industrial minerals 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. The effect of these factors on the price of these commodities, 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
(iv) 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: John Hick, Flemming Knudsen, John McConnell, John McDonald, Herbert Wilson and James Tuer; and officers: James Tuer, Jim Cambon and Alnesh Mohan. The loss of any of one of those persons could have an adverse effect 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, 2013 the Company's deficit was $42,580,821.

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 $0.42 to a low of $0.24. There can be no assurance that continual fluctuations in price will not occur.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company has not completed its evaluation of the effects of adopting these standards on its financial statements.

IFRS 9	Financial Instruments
IFRS 7	Financial Instruments: Disclosure
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	Presentation of Financial Statements
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's unaudited interim financial statements for the six months ended September 30, 2013 which are available on the Company's website at www.hudsonresource.ca or on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors of Hudson Resources Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.