HUDSON RESOURCES INC.

Management Discussion and Analysis
(Form 51-102F1)
For the Nine months ended December 31, 2005
Information as of February 27, 2006 unless otherwise stated

Note to Reader

The following management discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's annual audited financial statements for the year ended March 31, 2005 and for the three months ended June 30, 2005, the six months ended September 30, 2005 and the nine months ended December 31, 2005, together with the notes thereto, as well as, the Companies previous financial and MD&A reports. The material herein, as of February 27, 2006 updates the information contained in the MD&A report as of November 25, 2005. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Overall Performance

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

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

The Company has a direct 100% interest in three contiguous exploration licences totaling 733 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland. It has a further 80% interest in an additional 685 square kilometres contiguous to its Greenland properties as a result of its joint venture with New Millennium Resources NL of Perth Australia.

The Company's loss from operations for the three months ended December 31, 2005 totaled \$111,255, and for the nine months ended December 31, 2005 totaled \$278,082, a loss of \$0.01 and \$0.02 per share, respectively, as compared to a loss of \$111,121 for the three months ended December 31, 2004, and a loss of \$243,045 for the nine months ended December 31, 2004, a loss of \$0.01 and \$0.03 per share, respectively. Assets increased from \$2,659,006 as at December 31, 2004 to \$2,956,524 as at December 31, 2005 as a result of the capitalizing of resource expenditures and raising additional capital through the exercise of warrants over the period. The proceeds of the capital raising are being used to fund the Company's exploration program and to cover operating expenses.

General and administrative expenses increased from \$117,496 in the three months ended December 31, 2004 to \$116,145 in the three months ended December 31, 2005. General and administrative expenses increased from $253,273 for the nine months ended December 31, 2004 to $293,408 in the nine months ended December 31, 2005. For the third quarter ended December 31, 2005, stock-based compensation expense accounted for approximately 28%, or $32,296 (2004 - $46,813) of the Company's total general and administrative expenses and reflects the Company's adoption of full fair value based accounting for all stock options granted after April 1, 2002, in accordance with the recommendations of CICA Handbook S. 3870. There were no deferred exploration or property write-offs in the third quarter ended December 31, 2005. Interest income was $4,890 (2004 - $6,375) for the third quarter ended December 31, 2005.

The change in expenses over the previous period is attributed to changes in operating conditions and the timing of certain expenditures which change from period to period. Significant changes in General and Administrative costs were: shareholder communication costs (such as investor presentations and trade/investment shows), which decreased by $21,658 to $6,871 in the three months ended December 31, 2005 and decreased by $46,138 to $19,850 in the nine months ended December 31, 2005 as a result of ceasing to outsource some of the investor relation functions; Travel expenses were up as a result of the decrease in shareholder communication costs showing increases of $6,012 in the third quarter to $12,276 and $1,053 to $15,540 for the previous nine months; management fees, which increased by $30,300 to $56,900 in the third quarter and by $45,011 to $106,199 for the previous nine months, were higher as a result of paying one-time annual bonuses to 2 officers of the Company and the addition of an executive assistant; and, finally, non-cash compensation decreased by $11,684 to $32,296 in the third quarter as a result of canceling various options over the past year and non-cash compensation increased over the past nine months ending December 31, 2005 by $45,011 to $106,199 primarily as a result of granting 698,167 options at $0.60 per share in December 2004.

Exploration Update

The most significant event to occur in the previous quarter was the receipt of caustic fusion results from the Saskatchewan Research Council ("SRC") on samples submitted from the summer program. The most significant findings were larger diamonds sourced from the Garnet Lake area and the discovery of a second significantly diamondiferous area 12 km north east of Garnet Lake.

The Company believes that this new area significantly increases the likelihood of finding an economic diamond deposit and demonstrates that there are likely to be more areas like this on the property. Highlights from the analysis include:

1. The largest diamond recovered measures 2.60 X 2.30 X 2.26 mm. It is the largest stone so far discovered in Greenland and is more than twice as large as the Company's previous record;
2. 226 diamonds, including 13 macros, were found in one 158.7 kg sample of kimberlite located 500m south of Garnet Lake;
3. New diamondiferous samples from either side of Garnet Lake extend the potential north-south strike of the body to over 900m;
4. A new region has been discovered 12km to the north east of Garnet Lake. One sample had 46 diamonds in 110.1 kg of kimberlite including one broken stone which measures 2.06 X 1.06 X 0.66mm;
5. The diamond size distribution suggests a high potential for larger stones from larger sample sizes.

In July, Hudson concluded the balance of its 2,000 meter drill program and ground prospecting efforts that commenced in the Spring 2005. Kimberlite samples from both drill core and ground prospecting were submitted for analysis to the SRC laboratory in Saskatchewan (see press release dated August 25, 2005). The results are summarized as follows:

Kimberlite Sample	Weight (kg)	Diamonds in Square Mesh Sieve Sizes (microns)										Total Diamond	Wt+ (milligrams)	Wt-
HUDSON-05		+75	+106	+150	+212	+300	+425	+600	+850	+1180	+1700			
25-D2	6.6	1	1	-	-	1	-	1	-	-	-	4	0.679	0.089
MHGB10	158.7	66	57	42	26	17	12	3	2	-	1	226	20.794	4.821
MHGB15	110.1	12	9	14	4	1	2	3	1	-	-	46	3.595	0.882
MHGB16	76.9	8	9	5	3	-	1	1	-	-	-	27	0.408	0.627
MGHB21	112.6	2	2	-	-	-	-	-	-		-	4	0.000	0.018

Notes: Wt+ refers to the weight of macrodiamonds (>0.5mm in 3 dimensions)
Wt- refers to the weight of microdiamonds (>0.075mm and < 500mm)
1Carat = 200 milligrams

In the vicinity of Garnet Lake, the Company collected a 158.7 kg kimberlite float sample (MHGB10) 500m south of the discovery area. Thirteen of the 226 diamonds recovered are considered macros, based on being greater than 0.5 mm in three dimensions. Using the older standard of defining a macro as greater than 0.5 mm in one dimension, 37 of the diamonds would have qualified as macros. The 3 largest stones are described by the SRC as follows:

Length mm	Width mm	Height mm	Weight carats	Diamond Description
2.60	2.30	2.26	0.0703	Colorless, included, octahedron, serrate laminae, pits.
1.40	1.16	0.86	0.0069	Pink, clear, distorted, stepped/ribbed, etched trigons, pits, rough.
1.46	1.12	0.46	0.0061	Amber, clear, fragment, broken, stepped/ribbed, serrate laminae, hillocks, trigonal pits.

The quality of the diamonds recovered is particularly interesting. The recovered stones typically have good colour and shape and pink diamonds are always of interest to the gem industry.

The complete Caustic Fusion Diamond Report prepared by the SRC GeoAnalytical Laboratories, including individual stone size and description, is available on the Company's website (www.hudsonresources.ca/files/srcreport-11-05.pdf).

It is believed that the source of the MHGB10 sample is just below the surface till cover. This is consistent with the diamondiferous MHG09 float sample taken in 2004. Based on drilling, it was shown to be derived from approximately 4m below the surface.

Sample 25-D2 was collected from the Company's final 2005 drill hole, 05DS25. The hole is located approximately 400m north of Garnet Lake and has a principal intersection of 1.93m of kimberlite collected over 4.5m of core intersected at a depth of 15.72m. While the sample was very small (6.6 kg), the number and size distribution of the diamonds recovered is significant. Finally, kimberlite from drill hole 05DS23 and surface sample MHGB21 located a further 500m northwest of 05DS25 was tested and yielded few diamonds (4 micros from MHGB21). It is now accepted that this is one of the non-diamondiferous en-echelon dikes that are frequently found in the drill holes.

These Garnet Lake results build on last year's sample and the 2005 spring drilling results. They significantly increase the tested diamondiferous size potential of the kimberlite. Together with the original Garnet Lake samples, Hudson believes that these highly diamondiferous samples represent the near outcropping edge of a kimberlite dike. Hudson believes that this strike length of 900 m could be significantly increased based on high quality kimberlite indicator mineral chemistry found in the tills north and south of Garnet Lake.
(See map online: www.hudsonresources.ca/files/2005_Locations.pdf).

Diamondiferous kimberlite is also reported from a new area. Kimberlite samples MHGB15 and MHGB16 were found by prospecting 12km northeast of Garnet Lake. They exhibited the same physical characteristics as the Garnet Lake samples and were therefore collected for diamond analysis. While they were recovered from sites 300m apart within the same gully, it is not clear at this time if they are from the same body. The coarse diamond size distribution of the samples is very interesting and warrants significant follow up exploration. Initially, the Company plans on conducting a geophysical survey over the area, which up to now has never been previously explored. Sample MHGB15 is the most interesting sample of the two having returned a broken stone that was greater than 2mm in one dimension.

The samples were processed by the GeoAnalytical Laboratories at the Saskatchewan Research Council ("SRC"), Saskatoon, Saskatchewan, an independent laboratory. SRC GeoAnalytical Laboratories is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for specific tests. Dr. Mark Hutchison, Trigon GeoServices Ltd., was in charge of the collection of the samples in Greenland and managed the chain of custody from the field to the SRC.

Also during the last quarter, microprobe results were received on the Garnet Lake drill core. These results confirmed that the kimberlite intersected in the spring of 2005 at Garnet Lake contains indicator mineral chemistry consistent with the highly diamondiferous kimberlite subcrop discovered in 2004. Hudson also confirms that diamond-field peridotitic and eclogite garnets were found in abundance in the Garnet Lake core samples.

Information regarding the results of the probe work in the Garnet Lake area was released in early October. The results confirmed that 99% of the pyrope garnets probed (112 of 113 garnets) were derived from the diamond-bearing region at least 150km beneath the earth's surface. In addition, all of the 36 eclogitic garnets probed fell within the classification of diamondiferous facies eclogites. Furthermore, an ecolgitic garnet (G4D) bearing xenolith was recovered from Garnet Lake drill core. Thin section analysis revealed two G4D garnets with Na2O contents of 0.13-0.28 wt%. These unique concentrations of sodium and titanium oxides have been found in several other samples within the Garnet Lake region and nowhere else in Greenland. Interestingly, these values are very similar to the reported eclogitic assemblages from the highly diamondiferous Udachnaya kimberlites in Siberia, Russia. It is uncertain at this time whether this will have a bearing on the viability of the project; however, Hudson believes that the eclogitic garnets represent an important part of the significantly diamondiferous Garnet Lake kimberlite.

Subsequent to December 31, 2005, Hudson announced that Dr. John McDonald, Ph.D. P.Geo., and Mr. Jim Cambon, B.Sc., have joined Hudson's technical advisory team. Both of these men were directly involved with the development and ultimate sale of the Snap Lake Dike diamond deposit in the North West Territories. Hudson believes that their involvement and previous experience will greatly enhance the advancement of the Greenland diamond project.

Dr. McDonald was the V.P. Exploration for both Diamondex and Winspear Diamonds Inc., designing and developing their exploration focus. He and his technical team were directly responsible for the discovery and development of the Snap Lake diamond deposit, acquired by De Beers for $480 million in 2000. His field success is complemented by a prestigious academic career including a 13 year tenure as a university professor in Saskatchewan, Canada and Canberra, Australia. Prior to Dr. McDonald joining the Winspear team, he was the Chief Geologist and Exploration Manager, Western Canada, for Esso Minerals Canada for a period of ten years.

Mr. Cambon is a geologist with 20 years experience in the mineral consulting and project development industry with particular expertise in northern diamond projects. He has been involved in the evaluation and development of Arctic diamond projects in Canada and Russia. He managed AMEC's Mining Consulting Division responsible for diamond projects including Ekati, Snap Lake, Jericho and numerous other projects. He has also been actively involved in Siberian diamond projects including the Udachnaya mine, which is the largest open pit diamond mine in the world, located on the Arctic Circle.

Subject to financing, Hudson is planning an aggressive exploration program for 2006. The Company is planning a Seismic Reflectance Survey in order to image the extend of the Garnet Lake Dike. As well, an airborne magnetic survey, a 4,000m drill program, a large 100 tonne plus kimberlite sample plus additional ground prospecting is being proposed for 2006.

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 proceeds from profitable production or 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 December 31, 2005 and 2004 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

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

Environmental Factors and Protection Requirements

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

Risks and Uncertainties

The risks and uncertainties affecting the Company remain unchanged from those disclosed in its Annual MD&A.

RELATED PARTY TRANSACTIONS

During the periods ended December 31, 2005 and 2004, the Company incurred the following transactions with a director of the Company:

	2005	2004
Management fees	$ 56,900	$26,600

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

COMMITMENTS

The Company has made certain commitments in the course of running its business. The Company rents office space on a month to month basis with a 60 day notice provision. The other notable commitment is the annual exploration commitment on the Company's exploration licenses in Greenland. For 2005, the Company expects that total work expenditures will need to be in the order of $750,000 in order to maintain all of its land holdings. Based on work completed over the course of 2005, Hudson expended in excess of $1.3 million which Hudson believes is more than enough to meet all of the expenditure commitments required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

SUBSEQUENT EVENTS

Other than as described below, there are no material subsequent events that have not been discussed in this report or the financial statements for the period ended December 31, 2005.

In January, a total of 1,011,833 options (953,333 at $0.50 per share and 58,500 at $0.60 per share) were granted to officers, directors and consultants of the Company. A further 100,000 options at $0.80 per share were granted in February.

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with December 31, 2005. Financial information is prepared according to GAAP and is reported in Canadian $.

	Dec-31 2005	Sep-30 2005	Jun-30 2005	Mar-31 2005	Dec-31 2004	Sep-30 2004	Jun-30 2004	Mar-31 2004
Interest Income	$4,890	$4,030	$6,406	$9,029	$6,375	$1,702	$2,152	$927
Net loss	$(111,255)	$(93,852)	$(72,975)	$(109,108)	$(111,121)	$(57,012)	$(74,912)	$(65,449)
Net loss per share	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has sufficient financial resources to undertake a portion of its planned exploration programs for the next twelve months. The exploration and subsequent development of the Company's properties beyond that will depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration (or joint venture) properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in certain properties. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardised. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

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

The Company has working capital at December 31, 2005 of $762,540 compared with $1,685,294 as at December 31, 2004. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of additional share capital.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. At these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and term deposits, accrued interest and amounts receivable, and accounts payable and accrued liabilities approximates their fair market value because of the short-term nature of these instruments.

OUTSTANDING SHARE DATA AS OF FEBRUARY 27, 2006:

Authorized and issued share capital:

Class	**Par Value**	**Authorized**	**Issued**
Common	No par value	Unlimited	14,801,023

There are currently 1,830,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Price	Expiry
50,000	$0.20	December 5, 2008
50,000	$0.35	May 25, 2009
618,167	$0.60	December 1, 2009
953,333	$0.50	January 4, 2011
58,500	$0.60	January 4, 2011
100,000	$0.80	February 3, 2011
1,830,000		

There are currently 1,490,343 share purchase warrants outstanding exercisable at $0.85 per share. The warrants have acceleration provisions that allow the Company to call for the early conversion of the warrants if the shares trade above the Early Conversion Price for a set number of trading days:

Number	Price	Expiry	Early Conversion Price
1,250,343	$0.85	November 15, 2006	$1.40
240,000	$0.85	November 24, 2006	$1.40
1,490,343			

OTHER INFORMATION

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

BY ORDER OF THE BOARD

"James Tuer"
James Tuer
President and Director

"Robert Chase"
Robert Chase
Director