HUDSON RESOURCES INC.

Management Discussion and Analysis
(Form 51-102F1)
For the Nine months ended December 31, 2006
Information as of February 28, 2007 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, 2006 and for the three, six and nine months ended June 30, September 30 and December 31, 2006, respectively, together with the notes thereto, as well as, the Company's previous financial and MD&A reports. The material herein, as of February 28, 2007, updates the information as of November 28, 2006 contained in the MD&A of that report. 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.

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 December 31, 2006 and 2005 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.

Overall Performance

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

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

The Company has a direct 100% interest in five contiguous exploration licences totaling approximately 2,500 square kilometers in the Sarfartoq region, near Kangerlussuaq, Greenland.

The Company's loss from operations for the nine months ended December 31, 2006 totaled $431,944, a loss of $0.02 per share, as compared to a loss of $278,082 for the nine months ended December 31, 2005, a loss of $0.02 per share. Assets increased from $2,983,150 as at year end March 31, 2006 to $6,763,890 as at December 31, 2006 as a result of significant capital raising and resource property expenditures over the period. The proceeds of the capital raised during the period were used to fund the Company's exploration program and to cover operating expenses. On a quarterly basis, the Company's loss from operations for the three months ended December 31, 2006 totaled $142,707 a loss of $0.01 per share, as compared to a loss of $111,255 for the three months ended December 31, 2005, a loss of $0.01 per share. Assets decreased by $127,055 in the third quarter primarily as a result of the exploration and related expenditures.

General and administrative expenses increased from $116,145 in the three months ended December 31, 2005 to $159,264 in the three months ended December 31, 2006. For the nine months ended December 31, 2006, general and administrative expenses were $486,531, an increase of $193,123 over the corresponding period of the previous year. Interest income was $16,556 (2005 – $4,890) for the third quarter ended December 31, 2006. Interest income was $54,587 (2005 - $15,326) for the nine months ended December 31, 2006. There were no deferred exploration or property write-offs in the third quarter or the nine months ended December 31, 2006 (2005 - nil).

For the third quarter ended December 31, 2006, stock-based compensation expense accounted for approximately 37% or $58,557 (2005 - $32,296) of the Company's total general and administrative expenses. When compared on a nine month basis, stock-based compensation expense accounted for approximately 44% or $216,478 (2005 - $103,366 or 35%) of the Company's total general and administrative expenses.

The increase in overall expenses over the last 2 years is attributed to higher costs related to running and promoting a public company, especially in the period following the Company's discovery of diamonds on the Greenland properties and in light of the expanded exploration program in 2006. Significant changes in general and administrative costs over the past nine months were: travel and entertainment increased by $5,292 to $20,832 reflecting increased marketing efforts and additional personnel, transfer agent company expenses increased by $4,180 to $7,525 due to additional financings and warrant exercises, management fees increased by $36,500 to $152,200 reflecting additional management personnel, rent increased by $22,767 for the same reasons and stock-based compensation increased by $113,112, as discussed above.

Exploration Update

Since the previous Exploration Update provided in the Company's MD&A report dated November 28, 2006, Hudson's primary objective has been to complete the processing of the 47 tonne bulk sample.

As of the date of this report, Hudson has announced the recovery of 383 commercial sized diamonds from the sample. The total diamonds weighed 12.07 carats, including a 2.392 carat diamond. These results meet the Company's objective of establishing that the Garnet Lake dike contains large commercial gemstones and supports the potential for the Garnet Lake dike to have economic value per tonne. Given these very encouraging results Hudson has implemented an

aggressive 2007 exploration program which will include the purchase of a diamond plant and the extraction of significantly larger samples in order to establish grade and diamond value.

The 2.4 ct stone is described as an off-white, translucent dodecahedral twinned with inclusions. The next largest stone is a 0.4 ct yellow diaomond that is described as a translucent octahedral with inclusions. Of all 383 diamonds recovered, 54% are described as being white and 32% as being off-white in colour.

GARNET LAKE DIAMONDS RECOVERED

Kimberlite Sample	**Weight** (kg)	**Diamonds in Square Mesh Sieve Sizes** (microns)												**Total Diamond**
		+106	+150	+212	+300	+425	+600	+850	+1180	+1700	+2360	+3350	+4750	
GBF[1.]	47,000	n/a	n/a	n/a	n/a	n/a	n/a	240	114	22	5	1	1	383
								2.84ct	3.45ct	1.82ct	1.17ct	0.40ct	2.39ct	12.07ct
Garnet Lake[2.]	727	239	193	129	73	38	12	10	4	2	-	-	-	700

Notes: 1. 47 tonne sample crushed in 2 stages to liberate commercial size diamonds greater than 0.85mm.
2. Total diamonds recovered by caustic fusion from 18 Garnet Lake dike samples.

Of the total 383 diamonds recovered, 44 percent have been described as fragments. While all kimberlite has a natural population of broken stones, any broken fragments measuring less than 0.85mm will have been lost in the sampling process. In addition, over 60% of the diamonds (29% by carat weight) were recovered on the grease table after the Dense Media Separation ("DMS") concentrate had been passed through the X-ray sorter. A magnetic separator was employed as a final test for the second crush of material. 12 stones, representing 8% of the diamonds recovered from the second crush were recovered in the non-magnetic fraction.

Based on microdiamond projections from earlier samples on this kimberlite, Hudson believes there has been under-recovery of the smaller size fraction of diamonds. These results suggest that a greater understanding of the material processing of this highly competent kimberlite is required in order to ensure maximum diamond recovery. Different crushing and liberation strategies are being examined to limit diamond breakage and increase the recovery of larger stones in the upcoming bulk sampling program. An audit of the DMS concentrate and tailings material will be undertaken at another facility.

Previously, the Company had reported the results from the 350 kg representative sub-sample of the 50 tonne bulk sample extracted from the Garnet Lake kimberlite dike in Greenland. The sample, which was processed using caustic fusion, yielded a total of 350 diamonds including seven commercial sized stones. The results confirmed that the site of the bulk sample was significantly diamondiferous and remarkably consistent with previous diamond results from the dike. They also highlighted the abundance of macrodiamonds within the kimberlite dike and demonstrated that they occur quite consistently across a large portion of the dike tested to date.

CAUSTIC FUSION DIAMOND RECOVERY FROM THE GARNET LAKE DIKE
SAMPLE GBF-CF-01

Kimberlite Sample	**Weight** (kg)	**Diamonds in Square Mesh Sieve Sizes** (microns)									**Total Diamond**
		+106	+150	+212	+300	+425	+600	+850	+1180	+1700	
GBF-CF-01[1.]	349.7	125	105	60	34	14	5	5	2		350
2004-2006[2.]	377.1	114	88	69	39	24	7	5	2	2	350
Garnet Lake[3.]	726.8	239	193	129	73	38	12	10	4	2	700

Notes: 1. Representative sub-sample of the 50 tonne Garnet Lake dike bulk sample.
3. Total of 17 previous sample locations on the Garnet Lake dike collected between 2004 and 2006.
4. Total diamond distributions from 18 Garnet Lake dike samples.

The three largest stones from the caustic results measured 2.59 x 2.19 x 0.72mm; 1.94 x 1.82 x 1.45mm; and 1.37 x 1.11 x 0.80mm. They were described as an off-white, transparent macle, twinned with 85% preservation; an off-white translucent fragment with crystal faces, graphite inclusions, and minor cleavages with 75% preservation; and a white, translucent, dodecahedral, twinned surface fragment, graphite inclusions with 75% preservation, respectively. Of the 12 larger stones which were described by SGS Mineral Services, 9 are white and 3 are off-white. The average preservation is estimated at 83%.

The 47 tonne sample was processed by SGS Mineral Services in Lakefield Ontario, an independent laboratory, accredited to the ISO/IEC Guide 25 standard by the Standards Council of Canada as a testing laboratory for specific tests. Dr. Mark Hutchison, Trigon GeoServices Ltd., and Mr. Jim Cambon on behalf of Hudson, were in charge of the collection of the bulk sample in Greenland. Mr. Cambon managed the chain of custody from the field to SGS Mineral Services. Dr. John Ferguson, a director of Hudson, reviewed the program and is a qualified person under National Instrument 43-101.

2007 Field Program

Hudson has outlined a seven million dollar exploration program for 2007. One of the key goals of this program is to extract up to six hundred tonnes of kimberlite from three locations along the dike. This will assist us in determining continuity of grades and stone size distribution along the dike and will allow for a collection of a parcel of stones for valuation purposes. To facilitate the extraction of much larger samples, Hudson has purchased a 5 tonne per hour DMS plant from DRA Americas Inc. The plant is currently under construction and will be commissioned in the field this summer. This will allow the Company to produce a concentrate in the field, save significant shipping costs and expedite the turn around time for results. It will also be an excellent tool for sampling additional kimberlite targets on Hudson licenses. Heavy equipment for sample extraction will be mobilized into the field over the next few months.

Hudson will be commencing additional seismic work in March. This will further define the dike and assist in the selection of several sites for sample collection. A 5,000m drill program is planned to further delineate the dike and test other kimberlite targets. The drill is currently on site.

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 suitable producing properties or prospects for exploration in the future on terms it considers acceptable. The Company competes with many other companies that have substantially greater financial resources than the Company.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Greenland. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and

their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with nil to minimal environmental impact.

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 3 month period ended December 31, 2006 and 2005, the Company incurred the following transactions with a director/officer and an officer of the Company:

	2006	2005
Management fees	$35,400	$56,900

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 2006, the Company expects that total work expenditures will need to be in the order of $1,300,000 in order to maintain all of its land holdings. Based on work done to date and work to be completed by the end of 2006, Hudson believes that it will meet all of the expenditure commitments required under its licence agreements with the Bureau of Minerals and Petroleum of Greenland.

SUBSEQUENT EVENTS

There are no material subsequent events that have not been discussed in this report or the financial statements for the period ended December 31, 2006.

SUMMARY OF QUARTERLY INFORMATION

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with December, 2006. Financial information is prepared according to GAAP and is reported in Canadian $.

	Dec-31 2006	Sep-30 2006	Jun-30 2006	Mar-31 2006	Dec-31 2005	Sep-30 2005	Jun-30 2005	Mar-31 2005
Interest Income	$16,556	$19,750	$18,377	$5,054	$4,890	$4,030	$6,406	$9,029
Net loss	$(142,707)	$(122,101)	$(185,512)	$(218,797)	$(111,255)	$(93,852)	$(79,381)	$(109,108)
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 complete all of its planned 2006 exploration programs. 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 the Company may consequently have its interest in the properties subject to such agreements jeopardised. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

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

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

The Company has working capital at December 31, 2006 of $1,460,998 compared with $762,540 as at December 31, 2005. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

FINANCIAL INSTRUMENTS

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

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

OUTSTANDING SHARE DATA AS OF FEBRUARY 28, 2007:

Authorized and issued share capital:

Class	Par Value	Authorized	Issued
Common	No par value	Unlimited	23,268,799

There are currently 1,925,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.20	December 5, 2008
50,000	$0.35	May 25, 2009
613,167	$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
100,000	$0.80	April 25, 2011
1,925,000		

As at February 28, 2007, there were 1,967,178 share purchase warrants outstanding, including 78,010 agent's warrants exercisable at $0.60. Some of 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	Exercise Price	Expiry Date	Early Conversion Price
1,021,502	$0.80/$1.00	April 20, 2007/April 20, 2008	$1.50
867,666	$0.80/$1.00	April 25, 2007/April 25, 2008	$1.50
78,010	$0.60	April 25, 2007	
1,967,178			

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