HUDSON RESOURCES INC.

(An Exploration Stage Company)

Management Discussion and Analysis

(Form 51-102F1)

For the Three and Nine Months Ended December 31, 2012

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 nine month period ended December 31, 2012 ("Q3 2013" and "YTD 2013", 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 nine month fiscal periods ended December 31, 2012 (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 February 28, 2013.

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 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 Q3 2013 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 $6.75 million. Management believes that the current cash position of the Company is sufficient to support the operations for the next twelve months as the total cash outflow from the operating and investing activities for YTD 2013 and for the six month period ended September 30, 2012 ("Q2 2013") was $4,936,658 and $3,524,194, respectively.

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 November 29, 2012 in respect of the Company's financial statements for Q2 2013, Hudson announced drill results from the 2012 Sarfartoq rare earth program, announced the initial 43-101 compliant mineral resource for the White Mountain (Najaat Exploration Licence) calcium feldspar anorthosite project and announced the aluminum leach recovery results form its initial alumina test program. Hudson also undertook additional metallurgical test work at the SGS Lakefield lab facility on both the rare earths and feldspars and is currently processing the 120 tonne anorthosite bulk sample at SRC in Saskatoon.

Sarfartoq Project

The program at Sarfartoq continued to demonstrate the presence of high-grade rare earth zones in and around the ST1 resource shell. A total of 5,555 meters of diamond core drilling was completed in connection with rare earth exploration and development. Nineteen holes were drilled in the vicinity of the ST1 Zone resource. The other four were exploration holes drilled on the south side of the carbonatite at the ST24 target. Complete drill results are presented in below.

2012 Program Highlights include, Sixteen drill holes surrounding and infilling the ST1 Zone resource area contained high-grade intersections (including, 6 meters of 6.05% TREO (SAR12-03, 6 meters of 4.91% TREO (SAR12-01), 8 meters of 4.61% TREO (SAR12-15), 6 meters of 4.34% TREO (SAR12-15)), Wide zones of neodymium mineralization at ST1 continue to demonstrate the high proportion of neodymium that has been outlined in the resource, and drill results confirm continuation of high-grade mineralization at depth.

The 2012 drill program results continue to demonstrate that the mineralization extends to the northeast and have intersected some of the highest-grade material in that direction. Drilling to the south confirmed that the mineralization continues at depth with a high ratio of neodymium to total rare earth oxides at 23%.

Going forward, the efforts at the ST1 Zone will focus on defining the metallurgical flow sheet as a sufficiently large and potentially economic deposit has already been outlined.

The ST1 Zone at Sarfartoq represents one of the industry's highest ratios of neodymium and praseodymium to TREO, averaging 25%, based on the inferred resource. Based on the latest 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.

Table 1: 2012 High-Grade Intercepts of Neodymium and Praseodymium Oxide.

Hole ID	From (m)	To (m)	Intersection[1.] (m)	TREO	(Nd+Pr)2 O3 (kg/t)
ST-1 North					
SAR12-01	141	147	6	4.91%	9.9
SAR12-03	126	132	6	6.05%	11.4
SAR12-04	148	154	6	3.86%	8.2
ST1 South					
SAR12-05	352	358	6	3.23%	7.1
SAR12-07	386	406	20	2.36%	5.5
ST1 Infill					

SAR12-06	192	212	20	3.16%	6.7
SAR12-20	92	100	8	3.90%	7.8
SAR12-21	45	55	10	2.39%	5.3
SAR12-22	146	174	28	1.85%	5.2
	276	296	20	2.35%	5.7
ST1 North Extension					
SAR12-152	163	169	6	4.34%	7.2
	275	283	8	4.61%	6.7
SAR12-182	154	168	14	3.00%	4.8
	200	208	8	3.48%	4.8
SAR12-192	46	52	6	3.11%	5.2

Note 1. The 2012 drill holes at ST1 were generally drilled at an azimuth of approximately 310 degrees and a dip of between 45 and 65 degrees. As a result, true widths are estimated to be 80% to 95% of reported intersections. An estimate of the true width for holes SAR12-01, 02, 04, 05, and 19 cannot be determined until the resource has been updated.

Note 2. These results were previously published on September 24, 2012.

Note 3. Neodymium Oxide (Nd_2O_3) currently trades for $82.50/kg and Praseodymium Oxide (Pr_2O_3) trades for $90/kg FOB China (ref: Industrial Minerals on line, January 15, 2013).

Table 2: Complete 2012 Sarfartoq Drill Results

Hole ID	Area		From (m)	To (m)	Intersection (m)	TREO	(Nd+Pr) Oxide /TREO	(Nd+Pr) Oxide (kg/t)
SAR12-01	ST-1 N		137.00	151.00	14.00	3.49%	20.1%	7.02
		incl	141.00	147.00	6.00	4.91%	20.1%	9.87
SAR12-02	ST-1 S		192.00	194.00	2.00	3.03%	25.2%	7.63
		and	302.00	304.00	2.00	2.14%	22.8%	4.87
SAR12-03	ST-1 N		126.00	140.00	14.00	4.26%	18.8%	8.02
		incl	126.00	132.00	6.00	6.05%	18.9%	11.42
		and	156.00	158.00	2.00	2.36%	18.7%	4.40
SAR12-04	ST-1 N		138.00	158.00	20.00	2.35%	20.4%	4.78
		incl	148.00	154.00	6.00	3.86%	21.2%	8.17
SAR12-05	ST-1 S		82.00	86.00	4.00	1.53%	27.8%	4.26
		and	270.00	272.00	2.00	2.11%	24.4%	5.15
		and	332.00	372.00	40.00	1.68%	25.6%	4.31
		incl	352.00	358.00	6.00	3.23%	22.0%	7.10
		and	418.00	448.00	30.00	1.17%	30.0%	3.51
		incl	420.00	428.00	8.00	1.82%	34.6%	6.31
SAR12-06	ST-1 Infill		172.00	174.00	2.00	2.76%	20.4%	5.63
		and	184.00	220.00	36.00	2.15%	21.6%	4.65
		incl	192.00	212.00	20.00	3.16%	21.2%	6.70
SAR12-07	ST-1 S		360.00	406.00	46.00	1.73%	26.2%	4.55
		incl	386.00	406.00	20.00	2.36%	23.5%	5.53
SAR12-08	ST-1N		156.00	160.00	2.00	0.41%	36.9%	1.50

Hole ID	Area		From (m)	To (m)	Intersection (m)	TREO	(Nd+Pr) Oxide /TREO	(Nd+Pr) Oxide (kg/t)
SAR12-09	ST-24	No significant results						
SAR12-10	ST-1N		23.00	25.00	2.00	2.42%	16.6%	4.03
		and	31.70	33.33	1.63	6.22%	16.0%	9.97
		and	94.00	96.00	2.00	3.85%	19.5%	7.52
		and	204.00	206.00	2.00	2.09%	17.6%	3.67
SAR12-11	ST-24	No significant results						
SAR12-12	ST-1N		189.00	191.00	2.00	2.21%	19.4%	4.28
		and	233.00	235.00	2.00	4.73%	19.0%	8.98
SAR12-13	ST-24		22.00	24.00	2.00	2.15%	16.3%	3.52
SAR12-14	ST-24	No significant results						
SAR12-15	ST-1 North Extension		90.00	100.00	10.00	3.42%	16.0%	5.47
		and	163.00	177.00	14.00	2.74%	16.9%	4.64
		incl	163.00	169.00	6.00	4.34%	16.7%	7.24
		and	233.00	287.00	54.00	2.11%	15.7%	3.32
		incl	243.00	251.00	8.00	2.54%	16.6%	4.22
		and	257.00	269.00	12.00	2.91%	15.8%	4.60
		and	275.00	283.00	8.00	4.61%	14.5%	6.66
SAR12-16	ST-1 S	Failed to reach target depth						
SAR12-17	ST-1 S	Failed to reach target depth						
SAR12-18	ST-1 North Extension		38.00	40.00	2.00	2.28%	17.3%	3.93
		and	48.00	56.00	8.00	2.59%	17.2%	4.46
		and	82.00	90.00	8.00	1.65%	17.9%	2.95
		and	116.00	124.00	8.00	2.29%	16.5%	3.77
		and	154.00	168.00	14.00	3.00%	16.1%	4.84
		and	200.00	208.00	8.00	3.48%	13.9%	4.85
SAR12-19	ST-1 North Extension		46.00	52.00	6.00	3.11%	17.6%	5.25
		and	134.00	136.00	2.00	2.57%	17.6%	4.53
		and	148.00	150.00	2.00	2.89%	13.6%	3.93
		and	156.00	158.00	2.00	2.46%	16.4%	4.03
		and	160.00	162.00	2.00	4.62%	13.2%	6.08
		and	172.00	174.00	2.00	2.18%	14.6%	3.19
		and	198.00	200.00	2.00	2.70%	15.7%	4.23
SAR12-20	ST-1 Infill		74.00	104.00	30.00	2.18%	16.1%	4.69
		incl	78.00	84.00	6.00	2.66%	21.5%	5.72
		and	92.00	100.00	8.00	3.90%	20.1%	7.85
		and	160.00	172.00	12.00	2.38%	22.3%	5.32
SAR12-21	ST-1 Infill		37.00	59.00	22.00	1.79%	22.2%	3.97
		incl	45.00	55.00	10.00	2.39%	22.2%	5.30
SAR12-22	ST-1 Infill		42.00	300.00	258.00	1.15%	27.3%	3.15
		incl	52.00	56.00	4.00	1.41%	30.9%	4.35
		incl	142.00	296.00	154.00	1.57%	26.4%	4.13

Hole ID	Area		From (m)	To (m)	Intersection (m)	TREO	(Nd+Pr) Oxide /TREO	(Nd+Pr) Oxide (kg/t)
		incl	146.00	174.00	28.00	1.85%	28.2%	5.21
		and	224.00	296.00	72.00	1.87%	25.4%	4.74
		incl	276.00	296.00	20.00	2.35%	24.2%	5.69
SAR12-23	ST-1 Infill:	Hole abandoned after 23m due to mechanical failure						

Note: All measurements are in meters. All elements reported by Actlabs are in parts per million (ppm) and have been converted to % oxide. Total Rare Earth Oxides (TREO) refers to the elements lanthanum through lutetium plus yttrium expressed as oxides in the form REE2O3

Drill core was logged and sampled in the field and split core was shipped to North Vancouver, BC for processing at ALS Canada Ltd. A strict QA/QC program was followed, which includes the use of elemental standards, duplicates and blanks. In cases where the entire hole was not sampled, only significant drill intersections of carbonate mineralization were sampled. Core was split in the field with half of the core being sent to ALS Chemex and the remaining half stored on-site for future reference. All samples were analyzed using lithium borate fusion, acid dissolution and ICP-MS analysis.

White Mountain Project

The White Mountain Anorthosite Project, which is on tidewater, is located 40 km from the ST1 area. The proposed anorthosite project is planned to be a simple open pit mining operation similar in scope to a quarry with little processing required to provide a high-value product to European and North American markets. To date, Hudson has drilled 45 holes at White Mountain totaling 4,317m over an area measuring approximately 6 km by 2 km. Anorthosite (calcium rich feldspar) was intersected in every hole demonstrating the massive nature of this body. If a marketable resource can be developed it has the potential to provide significant cash flow with a short start-up time.

White Mountain is a weakly metamorphosed calcic anorthosite composed of nearly monomineralic high-calcium plagioclase (bytownite An80-85) with minor amounts (less than 1%) of clinozoisite and muscovite. The anorthosite body is lenticular in shape with an east-northeast structural trend, covering a surface area of over 20 square kilometers.

During the period, Hudson announced the first NI 43-101 compliant mineral resource estimate for the project. This resource estimate outlines an indicated resource of 27.4M tonnes together with an inferred resource of 32.7 M tonnes. The resource parameters and 2.50% sodium (Na2O) cut off are based on the feedstock requirements needed for the E-Glass (fiberglass) industry. E-Glass is a high value product that is high in aluminum, silica and calcium and requires low sodium and iron and no other impurities. The resource remains open in all directions.

Table 1. Mineral Resource Estimate

Class	Na2O Cut Off[1]	Tonnes (000's)	SiO2	Al2O3	Fe2O3	CaO	MgO	Na2O	K2O
Indicated	2.50%	27,384	49.2%	30.0%	1.26%	14.95%	0.55%	2.35%	0.29%
Inferred	2.50%	32,724	49.4%	30.1%	1.22%	15.01%	0.52%	2.34%	0.26%
Indicated	3.00%	35,707	49.6%	29.8%	1.25%	14.72%	0.53%	2.41%	0.31%
Inferred	3.00%	42,034	49.7%	29.8%	1.25%	14.77%	0.52%	2.40%	0.30%

Note 1. Cut-Off means all material is below the grade specified of Na2O. The sensitivity of the model to an increase in Na2O to a 3% cut off is included to show that the resources remains within E-Glass specifications.

The resource estimate is classified as Indicated and Inferred Mineral Resources as defined by CIM and referenced in NI 43-101. The resource estimate was prepared by GeoSim Services Inc. of Vancouver.

This resource estimate demonstrates that Hudson has already outlined a significant amount of anorthosite despite having only drill-tested a very small portion of our target area. The low sodium content, as noted in this resource estimate, makes it an ideal candidate for the E-glass (fiberglass) market. Processed bulk sample material will be provided to potential end users in the E-glass industry for testing in their furnaces. As previously disclosed, the high solubility and low iron content of the anorthosite also makes it an excellent candidate for potential alumina production. With this resource model in hand, and metallurgical test-work expected to be completed in the next few months, Hudson will commence a prefeasibility study for a project to supply the E-glass market and will work to rapidly advance the project under Greenland's streamlined permitting process.

The mineral resource was estimated using the inverse distance squared method. Block dimensions were 25 metres by 25 metres horizontal and 10 metres vertical. Grade estimation was based on analyses of core samples from 14 vertical core holes (1088 metres in total) completed in 2012. Drill holes were spaced approximately 100 metres apart on a rectangular grid and extended between 50 and 100 meters below surface. Oxide analyses were composited in five metre down-hole intervals. It was concluded from statistical analysis of the raw sample data that grade capping or special treatment of outliers was not warranted.

Blocks were considered as potentially economic if they were within an area mapped as being >90% anorthosite and containing less than 2.5% Na_2O. Almost all blocks exceeding this level of Na_2O were at the base of the model and would not have to be removed to access the other material. No other cut-off criteria were used as all blocks were within the anorthosite and are considered potentially economic.

Blocks were classified as 'Indicated' if they were within the bounds of the drill grid or within 50m of the boundary. Blocks were classified as 'Inferred' if they did not meet requirements for 'Indicated' and were located up to 100 meters beyond the drill pattern.

Also during the period, Hudson announced an update on the metallurgical testwork program for aluminum leaching extraction from White Mountain.

The testwork is being undertaken at SGS Canada Inc.'s Lakefield facility under the direction of Hudson's consulting metallurgist, John R. Goode, P.Eng. Initial testwork using hydrochloric acid (HCl) has demonstrated the high solubility of the anorthosite material at normal atmospheric pressure and relatively low temperatures. Aluminum recoveries ranged from 89.7% to 93.7%. The highest recovery was achieved at a temperature of 110 Celsius and an HCl strength of 30%. The White Mountain anorthosite rock averages approximately 30% aluminum oxide (Al_2O_3) and 1.25% iron oxide (Fe_2O_3).

Downstream testwork on leach solutions is ongoing and includes aluminum chloride precipitation, alumina production and acid regeneration testing. Once this testwork is completed, Hudson will initiate a scoping study to determine the preliminary economics of producing an alumina product and potential silica and calcium by-products. Testwork is expected to be completed in the second quarter.

Hudson's White Mountain anorthosite is relatively unique in that it has high concentrations of aluminum, silica and calcium, with little to no contaminants and low iron. Hudson has determined that the White Mountain anorthosite has three potential industrial applications:

1. As a new source of alumina to supply aluminum smelters;
2. As a new source of feedstock to the high end fiberglass (E-glass) industry; and
3. As a new source of filler material. Fillers are a significant component in the plastics and paints industries.

Qualifications

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

Ronald G. Simpson, B.Sc., P,Geo., President of Geosim Services Inc., is an independent Qualified Person as defined by NI 43-101 and is responsible for the resource estimate on White Mountain and has verified the data disclosed in this MD&A.

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

RESULTS FROM OPERATIONS

Selected Information

	For the nine months ended		
	December 31, 2012	**December 31, 2011**	**December 31, 2010**
Interest and miscellaneous income	$ 85,666	$ 132,714	$ 5,642
Net loss	(5,433,070)	(6,611,612)	(4,760,189)
Basic and diluted loss per share	(0.07)	(0.08)	(0.08)

As at:	**December 31, 2012**	**March 31, 2012**	**April 1, 2011**
Balance Sheet Data			
Cash and cash equivalents	$ 7,005,653	$ 11,942,311	$ 2,982,564
Resource properties	734,770	705,221	679,167
Total assets	8,056,969	13,076,232	3,880,541

Three months ended December 31, 2012 compared with Three months ended September 30, 2012

The Company incurred a net loss of $1,190,991 for Q3 2013 representing a decrease of $1,002,077 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 activities, management fees, and travel and accommodation, which was partially offset by an increase in share-based payments.

Exploration and evaluation activities decreased by $1,114,997 to $599,375 for Q3 2013 compared to $1,714,372 for Q2 2013. This was the result of a decrease in exploration expenditures on the Sarfartoq mineral claim of $563,694 to $324,477 in Q3 2013 from $888,170 in Q3 2012, and a decrease in exploration expenditures on the Naajat Mineral Claim of $551,306 to $274,898 in Q3 2013 from $826,203 in Q2 2013.

Management fees were $133,333 for Q3 2013 compared to $323,750 for Q2 2013. A base salary increase and bonus was paid to the Company's management in Q2 2013, which accounted for the difference. Share-based payments were $355,496 for Q3 2013 compared to $42,224 for Q2 2013. This increase in share-based payments resulted from an increase in the number of options vesting and a corresponding increase in recognition of expense during the period.

Three months ended December 31, 2012 compared with Three months ended December 31, 2011

The Company incurred a net loss of $1,190,991 for Q3 2013 representing an increase of $14,767 when compared with $1,176,224 for the three months ended December 31, 2011 ("Q3 2012"). This increase in net loss during Q3 2013 was primarily the result of an increase in share-based payments, management fees, and foreign exchange, which were partially offset by a decrease in evaluation and exploration costs, shareholder and corporate communications, interest income and impairment of resource properties.

Share-based payments increased by $170,101 to $355,496 for Q3 2013 from $185,395 for Q3 2012. This increase in share-based payments resulted from an increase in the number of options vesting and a corresponding increase in the recognition of the related expense during the period.

Management fees increased by $17,068 to $133,333 for Q3 2013 from $116,265 for Q3 2012. The increase in management fees resulted from a base salary increase being paid to the Company's management and the addition of a new director.

Foreign exchange loss increased by $11,738 to $6,827 for Q3 2013 from a gain of $4,911 for Q3 2012, due to fluctuations in the foreign currency exchange rates between the Canadian dollar, US dollar, and the Danish Krone.

Evaluation and exploration costs decreased by $179,470 to $599,375 for Q3 2013 from $778,845 for Q3 2012. This change was the result of a decrease in exploration expenditures on the Sarfartoq mineral claim of $454,369 to $324,477 in Q3 2013 from $778,845 in Q3 2012, and an increase in exploration expenditure on the Naajat mineral claim by $274,898 in Q3 2013 from $nil in Q3 2012.

Shareholder and corporate communications were $22,385 for Q3 2013 compared to $44,830 for Q3 2012. This decrease was a result of a termination of an investor relations services agreement, decrease in advertising and convention expenses.

Interest income decrease by $24,264, to $23,478 for Q3 2013, from $47,742 for Q3 2012. This decrease was a result of a decrease in funds invested into term deposits yielding interest income.

Impairment of resource properties were $20,094 for Q3 2012. There was no such impairment in Q3 2013.

Nine months ended December 31, 2012 compared with Nine months ended December 31, 2011

The Company incurred a net loss of $5,433,070 for YTD 2013 representing a decrease of $1,178,542 when compared with $6,611,612 for the nine months ended December 31, 2011 ("YTD 2012"). This decrease in net loss was primarily the result of a decrease in evaluation and exploration costs, shareholder and corporate communications, interest income, and impairment of resource properties. These decreases were partially offset by an increase in management fees, travel and accommodation expenses and foreign exchange loss.

Evaluation and exploration costs decreased by $1,250,278 to $4,092,209 for YTD 2013 from $5,342,487 for YTD 2012. This change was the result of a decrease in exploration expenditures on the Sarfartoq mineral claim of $3,114,192 to $2,228,295 in YTD 2013 from $5,342,487 in YTD 2012, and an increase in exploration expenditure on the Naajat mineral claim of $1,863,914 in YTD 2013 from $nil in YTD 2012.

Shareholder and corporate communications decreased by $67,039 to $40,884 for YTD 2013 from $107,923 for YTD 2012. This decrease was a result of a termination of an investor relations services agreement, a decrease in advertising, convention, and investor relations related travel expenses.

Interest income decreased by $47,048, to $85,666 for YTD 2013, from $132,714 YTD 2012. This decrease was a result of a decrease in funds invested into term deposits yielding interest income.

Impairment of resource properties were $20,094 for YTD 2012. There was no such impairment in YTD 2013.

Management fees were $573,333 for YTD 2013 compared to $528,765 for YTD 2012. The increase in management fees resulted from a base salary increase being paid to the Company's management and the addition of a new director.

Travel and accommodation increased by $27,706 to $63,171 for YTD 2013 compared to $35,465 for YTD 2012. This increase was a result of an increase in administrative and marketing travel.

Foreign exchange loss increased by $13,346 to $12,568 for YTD 2013 from a gain of $778 for YTD 2012, due to fluctuations in the foreign currency exchange rates between the Canadian dollar, US dollar, and the Danish Krone.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012
Interest income	$ 23,478	$ 24,466	$ 37,722	$ 50,881
Net loss	(1,190,991)	(2,193,068)	(2,049,011)	(749,769)
Basic and diluted loss per share	(0.01)	(0.03)	(0.03)	(0.01)

	Three months ended			
	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011
Interest income	$ 47,742	$ 47,862	$ 37,110	$ 93
Net loss	(1,176,224)	(2,829,081)	(2,606,307)	(735,105)
Basic and diluted loss per share	(0.01)	(0.04)	(0.03)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

Hudson is currently planning its 2013 field program, processing its 120 tonne bulk sample at the Saskatchewan Research Council and conducting metallurgical studies at SGS Lakefield on both the rare earths and the anorthosite, among other things. With working capital of $7.1 million as of December 31, 2012, the Company expects to have sufficient funds available to complete the 2013 Exploration Program and to finance non-exploration operations for the next 12 months. No requirement for additional funding is expected for the calendar year 2013 exploration program.

The exploration and subsequent development of the Company's properties beyond that will depend on the Company's ability to obtain additional required financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in 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.

Furthermore, while there are currently no such agreements in place, should the Company enter into joint venture agreements relating to the properties, if the other parties that are subject to such agreements do not meet their share of such costs, the Company may be unable to finance the total cost required to maintain the licenses. Refer to "Commitments" on page 12 of this MD&A for further information.

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

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

The Company had working capital at December 31, 2012 of $7,105,365 (March 31, 2012: $12,139,944). The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

The Company invests its cash balances in term deposits with Canadian banks. It has no exposure to asset-backed securities.

OUTSTANDING SHARE DATA

As at December 31, 2012 and the date of this MD&A, the Company had 80,186,766 common shares issued and outstanding.

During the nine months ended December 31, 2012, the Company granted 2,350,000 five-year options with an exercise price of $0.36 to the Company's officers, directors and field staff (December 31, 2011 – 1,200,000 options with an exercise price of $0.65). During the nine months ended December 31, 2011 the Company granted 200,000 options with an exercise price of $1.04 to an investor relations consultant. The Company did not grant any options to investor relations consultants during the nine months ended December 31, 2012.

During the nine months ended December 31, 2012, 3,102,500 warrants and 650,000 stock options expired unexercised.

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

- 7,545,000 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 nine months ended December 31, 2012 and 2011, respectively, the Company incurred the following expenses with a company with a common director and with directors and officers of the Company.

	For the nine months ended December 31, 2012				For the nine months ended December 31, 2011			
	Management fees	Accounting and legal fees	Directors' fees	Total	Management fees	Accounting and legal fees	Directors' fees	Total
President	$ 272,500	$ -	$ -	$ 272,500	$ 253,750	$ -	$ -	$ 253,750
Chief Financial Officer	-	75,760	-	75,760	-	69,680	-	69,680
VP Project Development	237,500	-	-	237,500	215,000	-	-	215,000
Directors	-	-	63,333	63,333	-	-	60,000	60,000
	$ 510,000	**$ 75,760**	**$ 63,333**	**$ 649,093**	**$ 468,750**	**$ 69,680**	**$ 60,000**	**$ 598,430**

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 $16,939 as at December 31, 2012 (March 31, 2012 – $8,154). 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 licenses in Greenland. Commitments can be reduced and/or eliminated by dropping and/or reducing licenses by the end of each calendar year. Based on work done to date, Hudson believes that it has met all of the expenditure commitments required under its license agreements with the Bureau of Minerals and Petroleum of Greenland.

In December 2011, Hudson submitted 2 renewal applications. 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. Hudson annexed and relinquished the area around the Garnet Lake diamond discovery due to the fact that it has not worked on the Garnet Lake project since 2008 and it has no plans to reactivate the bulk sampling diamond project anytime in the foreseeable future. The Sarfartoq Øst EL was relinquished prior to December 31, 2011 because the Company had no future exploration plans for the area as it was situated well outside the bounds of the carbonatite complex. 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. These licences have now been granted by the government. In addition, Hudson applied for and has been granted a non-exclusive prospecting licence for the west coast of Greenland. The licence allows the Company to prospect ground outside of its existing 2 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

Naajat Mineral Claim (2002/06), Greenland

The total work commitment for 2012 is 4,000,000 DKK. The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. Substantial work commitments can be carried forward from the previous 3 years. The Company's license expires December 31, 2013. Prior to December 31, 2011, the Company applied for and was granted the licence for the additional 2 year period.

Sarfartoq Mineral Claim (2010/40), Greenland

The total work commitment for 2012 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. Substantial work commitments can be carried forward from the previous 3 years. The Company's license expires December 31, 2013. Prior to December 31, 2011, the Company applied for and was granted the licence for the additional 2 year period.

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.

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 December 31, 2012, 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 and Greenland dollars ("DKK") 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 the nine months ended December 31, 2012 and 2011 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

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

Trends

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

Competitive Conditions

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

Environmental Factors and Protection Requirements

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

Mineral Exploration and Development

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

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, 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 extract diamonds and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

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

Title

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

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by:

(i) government regulations relating to such matters as environmental protection, health, safety and labour;
(ii) mining law reform;
(iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and
(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; officers: James Tuer, Jim Cambon and Alnesh Mohan. The loss of any of one of those persons could have an adverse affect on the Company. The Company does not maintain key person insurance on any of its management.

Conflicts of Interest

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

Limited Operating History: Losses

As the Company is still in the exploration phase of its development, it has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at December 31, 2012 the Company's deficit was $39,063,096.

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 $0.48 to a low of $0.20. 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 nine months ended December 31, 2012 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.