

NEWS RELEASE

**HUDSON EXPANDS WEST GREENLAND EXPLORATION LICENCE
BASED ON SUMMER EXPLORATION PROGRAM**

Vancouver, BC - **HUDSON RESOURCES INC.** ("Hudson" – TSX Venture Exchange "HUD") announces today that its application to the Bureau of Minerals and Petroleum of Greenland ("BMP") to increase its Nalussivik Exploration Licence (EL 2003/04) by an additional 25 sq. km ("Sub-Area 2") has been accepted by the BMP and is currently being processed. Formal approval is likely to occur within 2 to 3 months.

Hudson conducted its initial Greenland exploration program in July. The Company targeted structural settings where prior kimberlite occurrences were documented as being prevalent and superior mineral chemistry of kimberlite indicator minerals ("KIM") derived from till samples existed. Hudson collected approximately 600 kilograms of material from a variety of spatially separate sources and shipped this for kimberlite processing to the Saskatchewan Research Council ("SRC"). The SRC is currently processing 18 samples for microdiamonds (including 6 samples from Sub-Area 2) by caustic fusion analysis. A portion of each sample has been retained in order to test for KIM chemistry associated with any diamond recoveries. A number of other kimberlitic samples have been submitted to Mr. Bob Barnett, of R.L Barnett Geological Consulting Ltd. of London, Ontario, for thin section and microprobe analysis. The total program size was in the order of \$250,000, which is sufficient to maintain title to the core areas of the Exploration Licences in Greenland. The Company expects to start generating results by mid to late September.

Sub-Area 2 was added because it was previously reported to host a number of kimberlite occurrences. A November 2000 assessment report published by Platinova A/S, describes caustic fusion results of a 3.3 kg and a 10 kg sample. The smaller sample was noted to host garnet lherzolite nodules and yielded one microdiamond and one macrodiamond which measured 1.00 x 0.94 x 1.18 mm in 3 dimensions. Furthermore, in September 1999, Sander Geophysics Limited, on behalf of Platinova A/S, flew a 50m line spacing, high sensitivity aeromagnetic survey over Sub-Area 2. Hudson is in the process of acquiring this data from the Geological Survey of Denmark and Greenland ("GEUS") to determine if the survey can provide viable drill targets coincident with previously known and newly located kimberlite occurrences.

Of particular note, the evidence of small, deep lakes and low lying circular to semicircular pockets of overburden material lying adjacent to numerous in-situ dykes suggests that larger bodies of kimberlite could be hidden under cover. In places, it is apparent that hard hypabyssal kimberlite dykes have been significantly eroded. Therefore, it is not surprising that the weaker diatreme facies kimberlite associated with pipes and blows along these dyke systems would be even more significantly eroded and hidden under some sort of cover as a result. Detailed geophysical surveys will need to be undertaken in order to evaluate the licences for larger kimberlite bodies.

Further evidence supporting the diamond exploration potential of Hudson's permit areas in Greenland was presented at the 8th International Kimberlite Conference ("IKC8"), held this past June in Victoria, BC. What clearly stood out regarding the diamond exploration potential of a region was:

- The importance of having excellent Kimberlite Indicator Mineral ("KIM") chemistry to support diamond exploration potential;
- That projects must occur within the proper geothermal setting, that being a very cold crust and upper mantle;
- The importance of local structural features as a control mechanism for the emplacement of kimberlite; and
- That diamonds have now been found in a number of host-rock types other than "classical" kimberlite (ie. as derived from Kimberly, South Africa).

Indicator mineral data presented at IKC8 by Dr. Herman Grütter, of Mineral Services Canada Inc., showed that the geothermal setting within the company's exploration licenses is equivalent to that of the prolific Ekati area in Canada's north. The KIM chemistry which appears to be as good as that found at Ekati and the presence of abundant kimberlite within the licence areas, indicates that Hudson's licences are highly prospective for the discovery of diamondiferous kimberlites. Follow-up exploration programs will be evaluated following the release of the results of this summers efforts.

Mr. Mike Dufresne, P.Geol., President of APEX Geoscience Ltd., was in charge of the collection and handling of the samples in Greenland and is a qualified person under National Instrument 43-101.

BY ORDER OF THE BOARD OF DIRECTORS

"James Tuer"

James Tuer, President

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.