

HUDSON EXPLORATION UPDATE

Vancouver, BC - **HUDSON RESOURCES INC.** ("Hudson" – TSX Venture Exchange "HUD") is pleased to provide the following update regarding its Greenland diamond project. During the current program the Company has now completed in excess of 3,000m of drilling on 12 holes, conducted prospecting that has identified additional garnet-bearing kimberlite and started the collection of the planned 100 tonne bulk sample at Garnet Lake.

HIGHLIGHTS OF RECENT EXPLORATION ACTIVITIES

- **A total of 12 drill holes have been now been completed with a cumulative length of 3,018m;**
- **Drill holes have continued to delineate the Garnet Lake kimberlite dike as it occurs at depth to the east and south of Garnet Lake;**
- **Drilling at Itisooq has intersected kimberlite at a vertical depth of 200m underneath drill hole 06DS01, which intersected 10.7 m of kimberlite below the lake;**
- **A previously unknown en-echelon dike, approx. 3.5m wide, originating 725m east of Garnet Lake, has been intersected in 3 drill holes;**
- **Surface samples which contain garnets in the kimberlite matrix (which in the past has proved to be diamondiferous) have been located in 2 separate areas of the Garnet Lake region;**
- **Excavation of a 100 tonne mini-bulk sample at Garnet Lake is on-going and continues to reveal competent and highly garnetiferous kimberlite; and**
- **362 kg of kimberlite from core holes and surface samples has been shipped to the GeoAnalytical Laboratories at the Saskatchewan Research Council ("SRC") for microdiamond and indicator mineral analysis.**

Numerous kimberlite bodies have been intersected in all cores to date. Of particular note is the encountered continuity of kimberlite intersections with respect to the results of the spring 2006 seismic reflection survey. Hudson has now tested the area approx. 500m south of Garnet Lake where surface samples last year generated 226 diamonds from 159kg of kimberlite, including a 0.07ct stone, still the largest diamond found in Greenland to date. The kimberlite dike appears to dip more steeply in this area and splits into thinner bodies having an estimated true thickness of 2m. Core samples from these intersections have been submitted to the SRC for analysis.

As drilling continues to extend the principal Garnet Lake dike eastward and down dip, a second significant kimberlite body has now been intersected at shallower depths. This thick kimberlite body with a modelled outcrop some 725m east of Garnet Lake appears to be en-echelon to the principal Garnet Lake reflector imaged directly to the east of Garnet Lake. The presence of garnet megacrysts in this competent kimberlite provides an indication that diamond recovery from this body may also be of economic interest. Additional holes are planned to investigate the Garnet Lake dike under the tie line of the spring 2006 seismic program to the north and to investigate the source of a number of interesting magnetic anomalies to the east of Garnet Lake.

The lake upon which Hudson drilled the 10.7m intersection of kimberlite in June has been tested by two holes (06DS09 and 06DS10) drilled from the southwestern shore and one hole from the eastern shore (06DS11). The area is now referred to as Itisooq. All three drill holes intersected kimberlite of varying widths. Although encouraging, the drilling results are inconclusive in determining the nature and style of kimberlite emplacement. There is evidence of significant fluid activity at depth that has severely altered the kimberlite and host rock. Due to the difficult drilling conditions caused by the highly fractured rock (a feature which has not been evident in other locations), the Company was not able to fully test this structure. Drill core from the first hole 06DS01 and 06DS10 have been submitted for diamond analysis. Based on the outcome of this analysis, additional drilling from the lake surface may be warranted. Concurrent with the drilling program, excavation of kimberlite to constitute a mini-bulk sample is continuing at the Garnet Lake dike. A 3.8 tonne excavator was airlifted in segments into the field on July 13th and assembled. Thick ice underlying snow at the sample location initially delayed progress however abundant kimberlite is now being recovered using a combination of blasting and digging. All kimberlite revealed by this process at Garnet Lake appears highly prospective. Red and purple pyrope garnets are large and abundant and appear similar to those recovered from kimberlite core from which 15 diamonds were recovered from a 11.0kg sample in 2005 and from which the highly diamondiferous subcrop was also recovered in 2004.

Finally, Hudson is very encouraged by reconnaissance exploration programs which have been successful in finding new locations of garnetiferous kimberlite this field season. To date, two separate locations have been found and 2 large samples of distinctly anomalous kimberlite have been submitted for analysis from one of these locations. Additional follow up prospecting is expected to take place in the other area with a view to collecting a large sample for diamond analysis.

Table 1 – Kimberlite Intersections Encountered in Recent Drill Holes

Drill Hole	Total Depth of Drill Hole	Drill Hole Angle	Kimberlite Intersection			Aggregate Kimberlite Thickness
			From	To	Total	
Garnet Lake – Drill holes located along Seismic Reflection Line 4 (500m south of Garnet Lake)						
06DS06	127.10 m	-55°	33.30 m	39.88 m	6.58 m	2.65 m ⁽²⁾
			53.16 m	55.12 m	1.96 m	1.22 m ⁽²⁾
06DS07	207.27 m	-55°	140.57 m	144.22 m	3.65 m	1.96 m ⁽²⁾
			158.80 m	161.44 m	2.64 m	2.64 m ⁽²⁾
06DS08 ⁽¹⁾	159.19 m	-55°				
Itisooq – Drill holes completed under 06DS01 from the edge of the lake						
06DS09	347.48 m	-50°	250.62 m	252.91 m	2.29 m	2.01 m
			260.28 m	266.04 m	5.76 m	4.54 m ⁽³⁾
06DS10 ⁽¹⁾	263.96 m	-50°	237.77 m	263.96 m	26.19 m	4.53 m ⁽⁴⁾
		Inc.	255.73 m	260.33 m	4.60 m	3.61 m
06DS11 ⁽¹⁾	309.58 m	-50°	240.24 m	246.00 m	5.76 m	2.35 m
			305.26 m	306.38 m	1.12 m	1.12 m
Garnet Lake – Seismic Reflection Line 1 – En-Echelon reflector 800m east of Garnet Lake						
06DS05	395.33 m	-65°	16.71 m	20.93 m	4.22 m	3.53 m ⁽²⁾
06DS12 ⁽¹⁾	221.47 m	-90°	33.58 m	36.37 m	2.79 m	2.52 m
06DS13 ⁽⁵⁾	n/a	-90°	32.84 m	38.86 m	6.02 m	4.01 m

Note 1. Drill hole terminated prior to target depth due to technical difficulties.

Note 2. Dike intersections are believed to approximate their true thickness.

Note 3. Includes 1.86m of green mud that may be of kimberlite origin.

Note 4. The entire intersection is severely broken altered material indicative of a significant event. Altered kimberlite is included throughout this intersection. The broken nature of the material resulted in the early termination of the drill hole.

Note 5. Hole is currently being drilled.

“We are satisfied with the progress of our current exploration program, which continues to meet our objectives outlined for the 2006 field season,” stated James Tuer, President of Hudson. “Year after year, the continuous discovery of new locations of high potential kimberlite adds credence to the notion that there are going to be a number of significantly diamondiferous bodies discovered on our exploration licences. Our current work in the Garnet Lake area is progressing well and we hope that by the end of 2006 we will have a much better understanding on the tonnage, grade and diamond value of the Garnet Lake dike structure.”

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., is in charge of the exploration program and is responsible for the collection of the samples in Greenland and managed the chain of custody from the field to the SRC. Dr. John Ferguson reviewed this press release and is a qualified person under National Instrument 43-101. Hudson currently trades on the TSX Venture Exchange under the symbol “HUD” and has 20.8 million shares outstanding.

ON BEHALF OF THE BOARD OF DIRECTORS

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