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HUDSON UPDATES RARE EARTH PROJECT AND INTRODUCES NEW ANORTHOSITE PROJECT IN GREENLAND

Vancouver, BC - **HUDSON RESOURCES INC.** (the "Company") – (TSX Venture Exchange "HUD"; OTCQX "HUDRF") is pleased to announce the following update to the 2012 work program on the Sarfartoq Rare Earth Project, as well as, the introduction of the White Mountain Anorthosite (calcium feldspar) Project. Both projects are situated on 100% owned exploration licenses in Greenland. Field work is ongoing with one drill operating and the bulk sample ready for shipping.

Exploration and Development Highlights to Date:

Sarfartoq Rare Earth Project

- Completed 5,600 m of drilling
- Completed two years of environmental baseline studies – a prerequisite for obtaining a mining license
- Initiated social impact studies and community consultation with excellent support at all levels
- Completed geotechnical holes for incorporation in prefeasibility study
- Demonstrated that high-grade rare earth zones continue to the north of the ST1 Zone
- Advanced the metallurgical flowsheet

White Mountain Anorthosite Project

- Initiated exploration of the White Mountain Anorthosite Project. The anorthosite is a calcium feldspar mineral comprised of aluminum, silica and calcium
- Potential industrial applications include alumina production, fiberglass feedstock, and paint, plastics and paper fillers
- Completed 3,400 m of drilling and identified numerous areas of high purity anorthosite. Drilling is ongoing and expected to be completed in early October
- Completed the extraction of a 100 tonne bulk sample
- Initiated baseline environmental studies
- Completed beneficiation test work to produce a high purity product with minimal processing
- Samples shipped to potential end users in Europe and North America

James Tuer, Hudson's President, stated, "We are very excited about the prospects for Hudson as we look towards the future. Our drill program at Sarfartoq continued to demonstrate the presence of high grade rare earth zones in and around the ST1 resource shell. As well, a new high grade zone north of ST1 has been discovered which is rich in rare earths and niobium which will add significantly to our underground mining plans. We are also very excited about the White Mountain Anorthosite Project which is on tidewater and located 40 km from the ST1 area. The proposed anorthosite project would 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, we have drilled 33 holes at White Mountain totalling 3,400 m over an area measuring approximately 6 km by 2 km. Almost 100% anorthosite 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. We have completed one season of baseline environmental data with the objective of submitting an application for a mining license in the second half of 2013."

Sarfartoq Project

The objectives of the 2012 exploration and development program at the company's Sarfartoq Rare Earth Element (REE) Project program were threefold: (i) increase the resource at the ST1 Zone; (ii) test several additional REE targets; and (iii) continue with the baseline environmental data collection and socio-economic and environmental consultations needed to allow for the submission of a mining license application for the project in 2013. The Company believes that it has achieved all of these objectives.

At Sarfartoq, Hudson drilled 23 holes totalling 5,600 m. Nineteen of the holes were drilled within 2.5 km of the ST1 Zone and four holes were drilled at ST24, on the south side of the carbonatite. Samples from three of the holes north of ST1 were shipped by air for expedited assays due to mineralogical signatures that were somewhat different than the standard ST1 material. These results are reported below in Table 1 and they confirm that the high grade zone intercepted in 2011 in hole SAR11-50 (four meters of 7.2% TREO) now extends at least 300 m to the north. The balance of the samples have been shipped by sea freight in order to save \$100k in air freight. Results are expected in the fourth quarter.

Table 1: 2011 Phase Two High-Grade Intercepts at the ST1 Zone North

Drill Hole	Length	From	To	Inter-section ¹	TREO	Nd ₂ O ₃	Nb ₂ O ₅	
	(m)	(m)	(m)	(m)		%	kg/t	%
SAR12-15	314.0	90.0	100.0	10.0	3.42%	0.39%	3.9	0.06%
		Including	90.0	92.0	2.0	7.27%	7.7	0.02%
		And	163.0	177.0	14.0	2.74%	3.3	0.16%
		Including	163.0	169.0	6.0	4.34%	5.2	0.11%
		Including	167.0	175.0	8.0	2.01%	2.6	0.23%
		And	233.0	287.0	54.0	2.11%	2.5	0.10%
		Including	233.0	237.0	4.0	2.11%	2.8	0.28%
		Including	259.0	265.0	6.0	4.09%	4.6	0.05%
		Including	277.0	283.0	6.0	5.53%	5.7	0.04%
SAR12-18	279.0	48.0	54.0	6.0	2.94%	0.37%	3.7	0.46%
		And	82.0	90.0	8.0	1.65%	2.2	0.41% ²
		And	116.0	168.0	52.0	1.58%	1.9	0.24% ³
		Including	122.0	124.0	2.0	3.63%	4.3	0.72% ⁴
		Including	154.0	168.0	14.0	3.00%	3.6	0.36% ⁵
		And	200.0	208.0	8.0	3.48%	3.5	0.06%
		Including	204.0	206.0	2.0	6.89%	6.4	0.02%
SAR12-19	229.0	48.0	54.0	6.0	2.94%	0.37%	3.7	0.15%
SAR11-50 ⁶	244.0	206.0	220.0	14.0	3.26%	0.40%	4.0	0.47%
		Including	206.0	210.0	4.0	7.15%	8.8	0.99%
		Including	216.0	218.0	2.0	5.90%	7.1	0.28%

Note 1. The three 2012 drill holes at ST1 were located 1,250m north-east of the main ST1 body and 300m north-east of SAR11-50. SAR12-15, SAR12-18, and SAR11-50 were drilled at an average azimuth of 315 degrees and a dip of between 45 and 55 degrees. SAR12-19 was located 225m north-west of SAR12-18 at an azimuth of 145 and a dip of 49 degrees. Only the top 68m of SAR12-19 was submitted for expedited assays. An estimate of the true width of the other holes cannot be determined until the resource has been updated.

Note 2. 1 of 4 Samples >5000ppm Nb detection limit

Note 3. 4 of 26 Samples >5000ppm Nb detection limit

Note 4. 1 of 1 Sample >5000ppm Nb detection limit

Note 5. 2 of 7 Samples >5000ppm Nb detection limit

Note 6. SAR11-50 was drilled in 2011 and is the closest previous drill hole to these 2012 drill holes.

In the past two months, Hudson engaged SGS Lakefield Research to conduct additional flotation and other beneficiation tests on the ST1 rare earth material. Initial flotation results are encouraging and results will be reported as they become available. Previous testwork at the Saskatchewan Research Council has demonstrated that recoveries of over 90% are achievable utilizing acid baking and leaching on the ST1 material. Hudson hopes to announce the flowsheet for this project in early 2013.

The ST1 Zone contains one of the industry's highest ratios of neodymium and praseodymium to TREO, at 25%. The new zone to the north has a lower percentage of neodymium but this is offset by higher grades and the addition of meaningful quantities of niobium. Currently, the ST1 Zone indicated resource contains over 26 million kilograms of neodymium and praseodymium oxide, which are the key components in permanent magnets and the fastest growth sector of the rare earths industry. Neodymium and praseodymium oxide are currently quoted at around US\$100/kg, FOB China, and US\$65/kg, within China, according to www.metal-pages.com. While these prices are much lower than peak prices last year, they are significantly higher than the \$15/kg prices that were quoted when the project was initiated in 2009.

White Mountain Project

Hudson commenced exploration on a very large anorthosite (calcium feldspar) body located on the Company's Najaat Exploration Licence, which is approximately 40 km north west the Sarfartoq Project and adjacent to the Sondrestrom Fjord. These types of deposits are unique in that they have high concentrations of aluminum, silica and calcium. Based on the work to date, Hudson has determined that the characteristics of this calcium feldspar rock has three potential high-value applications which are being investigated including:

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 of the plastics, paints and paper industries.

Hudson believes that nature of the material supports the potential to be a source of alumina. This would be an alternative method to the traditional Bayer process of producing alumina using bauxite. Hudson has entered into a confidentiality agreement with a company to investigate the recovery of alumina (aluminum oxide) using their proprietary technology. Hudson has also entered into confidentiality agreements with a number of the key industry players in the fiberglass and industrial mineral filler markets to investigate the application of this material to their product lines. Further details will be released as they become available.

The Sarfartoq REE project is located within 20 km of tidewater and only 60 km from Greenland's international airport in Kangerlussuaq. The White Mountain Calcium Feldspar Project is located only 4km from tidewater and 80km from Kangerlussuaq. Both projects are owned 100% by Hudson. The Company is well-financed with approximately \$8 million in working capital.

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 press release in respect of the Sarfartoq REE Project.

ON BEHALF OF THE BOARD OF DIRECTORS

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