

## President's Message

During the past year, Hudson Resources Inc. has reached several important milestones. Since March of 2004, we raised over \$2.3 million and expended over \$1 million in exploration on our Greenland diamond properties to the end of fiscal 2005. Significant exploration expenditures are continuing during our spring and summer exploration programs. The preliminary results of this program will be released shortly. As was the case last year, diamond analysis results are expected to be available by September 2005.

Our strong level of activity has been achieved because of the success of our exploration efforts in Greenland. We are proud that we have been able to increase the potential of the area with each exploration program undertaken. Over the course of three years in the field, Hudson has 1) confirmed areas of diamondiferous kimberlite, 2) added to its exploration licence within these areas by staking and joint venture, 3) conducted a heliborne geophysical survey over portions of this area, 4) found significantly diamondiferous kimberlite, an order of magnitude greater than any other diamond find in Greenland, at the Garnet Lake locality, 5) completed ground based geophysical surveys over certain high interest areas, and 6) completed 2,000m of drilling which, in part, confirms that the Garnet Lake discovery is an insitu body, dispelling the notion that the significantly diamondiferous kimberlite was deposited by glaciation from some other location.

Our challenge and goal now is to prove up enough volume of highly diamondiferous kimberlite to warrant the development of a deposit. As demonstrated by DeBeers recent decision to take the Snap Lake kimberlite dike to production, this is possible to achieve with a sheet like structure if the width, strike and the down dip extension is great enough. High abundances of diamond facies kimberlite indicator minerals have been found over 5 kilometres of potential strike in the Garnet Lake area. If these minerals were generated from the Garnet Lake kimberlite over this distance, we believe that there is a good possibility of generating the necessary volume of kimberlite.

Our other goal is to expand the potential of the region by locating additional areas of highly diamondiferous kimberlite. Based on the Garnet Lake example, we believe that the inclusion of visible garnets in the matrix of the kimberlite is significant. Observations of this type of kimberlite in the field and as reported in various assessment reports are very limited, which is presumably why there have been no other discoveries of highly diamondiferous kimberlite aside from Garnet Lake. However, given the much wider dispersion of high quality kimberlite indicator minerals than could be conceivably related to Garnet Lake, we believe that there are other areas of significantly diamondiferous kimberlite that will be discovered.

I would like to personally thank shareholders for their strong and continued support of our endeavors. Diamond exploration is a slow process and the level of patience required can be taxing. However, we believe that the end result can, and hopefully will, far outweigh this. Over the next year we will continue to advance the project as we have done in the past.

On behalf of the Board

HUDSON RESOURCES INC.

*"James Tuer"*

James Tuer, President