



QUARTERLY ACTIVITIES REPORT

Quarterly Activities Statement period ending 31 March 2011

13 April 2011

Hudson Resources Limited

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Hudson Resources Limited (**Hudson**) (ASX: HRS) is a listed Australian company specialising in investments in mining assets and listed resources companies.

These investments are primarily origination by Hudson's own geological team through proprietary exploration work and in some cases farm in mineralisation opportunities with other explorers by providing support through Hudson's core competencies of technical evaluation and Asia investor networking.

Current resource investments embrace coal, bauxite, gold, IOMCG-U and sorbent materials.

ASSET PORTFOLIO SUMMARY

Mineral/Asset	Hudson Interest	Investment / Resource	No of Shares held	Current market value per share (31/03/11)	Current Market Value
Coal	39%	Tiara Coal Limited (ASX: TCM) 31.8M ordinary shares	31,800,000	\$0.24	\$7,632,000
Bauxite	55%	Australian Bauxite Limited (ASX: ABZ) 55M ordinary shares (escrowed to 23 Dec 2012)	55,617,337	\$0.76	\$42,269,176
Gold	56%	Sovereign Gold Company Limited (ASX: SOC)	40,000,000	\$0.38	\$15,200,000
IOMCG-U ⁺ Industrial Minerals	10%	Archer Exploration Limited (ASX: AXE)	6,500,000	\$0.24	\$1,560,000
Sorbent Materials	100%	1. Attapulгите			
		- Stockpile - 30Kt/\$20pt		-	\$600,000
		- Inferred 22Mt		-	-
		2. Diatomite - Inferred 830Kt		-	\$850,000
		3. Bleaching Earth* *1,530,000 shares in Hudson MPA Sdn Bhd. Write down value 31 December 2010		-	\$401,000
Property Geraldton WA	100%	Land Factory Warehouse		Professional Valuation	\$1,452,000 \$515,000 \$1,152,000
Plant & Equipment	100%	Rotary Kiln & Processing Equipment			-
Total					\$71,631,176

+ Iron Ore, Manganese, Copper, Gold, Uranium

At 31 March 2011 total Hudson shares quoted on ASX is 118,385,822 with an assessed asset backing value of \$0.61 per share (based on asset portfolio summary).

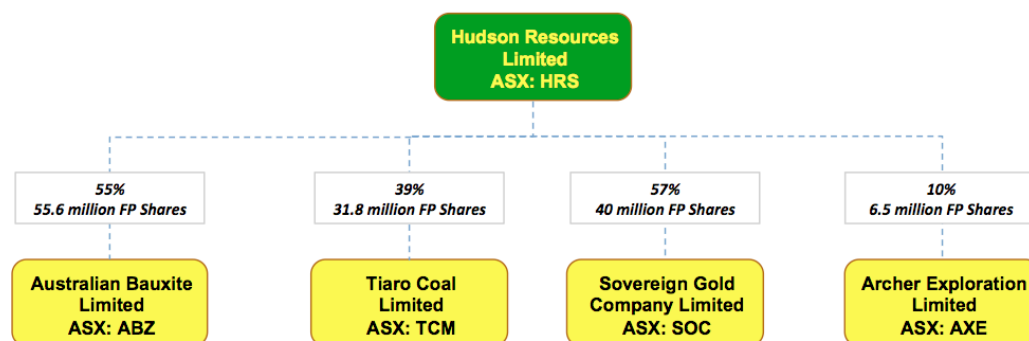
CORPORATE

At the end of the quarter, Hudson had on issue 118,385,822 ordinary shares with no outstanding options.

Annual General Meeting

The Annual General Meeting of Hudson Resources Limited will be held at Hudson House, Level 2, 131 Macquarie Street, Sydney NSW at 3:00pm on 27 May 2011.

KEY MINERAL INVESTMENTS



COAL

Coal – Tiaro Coal Limited (ASX: TCM)

Tiara Coal Limited (Tiara) is an Australian mining company undertaking exploration for commercially viable coal deposits with the potential to produce metallurgical (coking, PCI) coals from the Tiara Coal Measures and other coal prospective areas with good infrastructure.

Since listing, Tiara has successfully completed coal exploration programmes consisting of:

- a detailed airborne magnetic and radiometric survey, to enable better selection of target zones for follow-up exploration;
- seismic surveys to define target zones with flat lying strata;
- a regional gravity survey, and follow up surveys to define targets for drilling (Figure 4);
- drill testing of the targets to find coal deposits;
- follow up drill testing on EPC 956 and EPC 957 to define deposits of high value (metallurgical) coal.

Planning has been completed to recommence the JORC definition drilling program at T9 / Munna (EPC 956). The first stage being a reflection seismic survey, followed by infill drilling in targets where the best coal intersections have been obtained in previous drilling programmes.

Exploratory drilling on new gravity targets on Tiara's other tenements has also been planned.

The tenements cover a large part of the known exposures of the Tiara Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland.

The area is well serviced by nearby infrastructure, including manpower, mining support services, road, and rail and port facilities. The main Brisbane-Gladstone rail line bisects the exploration tenements.

Hudson has 31.8 million shares representing 39% interest in Tiara Coal Limited

BAUXITE

Bauxite - Australian Bauxite Limited (ASX: ABZ)

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 34 bauxite tenements in Queensland, NSW and Tasmania covering 7,631 km² were rigorously selected on 3 principles:

1. good quality bauxite;
2. proximity to infrastructure connected to export ports; and,
3. free of socio-environmental or native title land constraints.

All tenements are 100% owned and free of obligations for processing and third-party royalties. ABx has already discovered many bauxite deposits and new discoveries are still being made as knowledge and expertise grows.

The company's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally. At the company's first drilling prospect in Inverell, northern NSW, an interim resource of 35 million tonnes has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 12 million tonnes of bauxite has been reported for the Taralga project. Australian Bauxite Limited aspires to identify bauxite resources in excess of 200 million tonnes in one of the world's best bauxite provinces.

ABx has the potential to create significant bauxite developments in three states - Queensland, New South Wales and Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local and export customers. Drilling of the ABx bauxite discoveries in Tasmania has only recently commenced but bauxite is confirmed to extend over relatively large areas.

Exploration

Taralga

Australian Bauxite Limited successfully completed a resource-drilling program at Taralga (NSW) during the March quarter.

210 additional holes were completed and assays have been received.

An upgraded JORC resource estimate is being prepared and will soon be finalised and released.

Binjour

Drilling continued at Binjour (Qld) with 156 holes completed with a 75% hit rate. Bauxite is extensive over a wide and diverse area. New targets will now be drilled.

Average bauxite thickness at Binjour is 6 metres (up to 15 metres).

New Application – Tellebang Queensland

Application EPMA 19169 was lodged on 4 April 2011 covering 50 sub-blocks (150 sq kms) located 20 kms ESE of Monto, Queensland.

Hudson has 55.6 million shares representing 55% interest in Australian Bauxite Limited.

GOLD

Gold - Sovereign Gold Limited (ASX: SOC)

Sovereign Gold Company (**Sovereign Gold**) is exploring a large Intrusion-Related Gold System at the Rocky River-Uralla Goldfield in New South Wales.

Sovereign Gold's project covers 2,500 square kilometres.

The project is located around the township of Uralla, 21km southwest of Armidale, New South Wales, Australia, with superb infrastructure logistics. It is close to major roads, rail, airport, labour source, university, power, and engineering.

Available production records indicate that the Rocky River-Uralla Goldfield yielded 5,193 kg (approximately 167,000 ounces) of gold mostly from Tertiary deep leads during the period 1858-1967.

Sovereign Gold's exploration objective is to locate the hard rock ore sources of the alluvial gold. Sovereign Gold's Chief Geologist, Mr Michael Leu, determined from the geology at Rocky River that gold mineralisation was deposited from primary magmatic fluids and that all evidence pointed to the presence of an IRGS. This work has been independently confirmed through research into the mineralisation at Wilsons Creek Shaft on Sovereign Gold's ground, conducted by academic staff at the University of New England.

Large low-grade and high-grade vein deposits typify IRGS are the targets of Sovereign Gold's exploration effort.

Hudson has 40 million shares representing between 56% interest in Sovereign Gold.

IOMCG-U – INDUSTRIAL MINERALS

IOMCG-U - Sovereign Gold Limited (ASX: AXE)

Archer Exploration Limited (Archer) is a copper, gold and uranium explorer focused on the discovery of ore deposits. Archer owns a portfolio of projects, covering an area in excess of 7,000 km², in the highly prospective Gawler Craton and Adelaide Fold Belt regions of South Australia. Archer's Evelyn Dam prospect in the West Roxby Project is an iron ore-manganese-copper-gold-uranium (IOMCG-U) targets which has a gravity anomaly similar in size to the nearby Olympic Dam operations. Industrial Minerals embrace magnesite, graphite and phosphate mineralisations.

HRS holds 6.5 million shares representing 10% of the issued capital of Archer.

SORBENT MATERIALS

A total of 8,894 tonnes of Attapulgit ore was sold during the quarter.

Sorbent Minerals – Hudson Resources Limited

Attapulgit

- 4 mining leases at Lake Nerramayne near Geraldton WA that host an attapulgit clay resource encompassing an area of 2,700 hectares
- Attapulgit stockpile of 30,000 tonne
Inferred JORC is 23.4 million tonnes including 9.4 million tonnes of high-grade attapulgit. Of the Inferred JORC the indicated JORC is 5.87 million tonnes of attapulgit including 2.98 million tonnes of high-grade attapulgit
- The Inferred JORC was defined from an area of approximately 40% of the total area covered by Hudson mining leases
- Since 1979 Hudson and its predecessor Mallina Holdings Limited have operated the mine and supplies raw attapulgit ore from which are manufactured pet litters, industrial absorbents, granules and powders are produced to supply a wide range of consumer related (supermarkets) and industrial clients
- The current off take rate is in the order of 40,000 tonnes per annum
- Over the past year Hudson has examined alternate uses for the attapulgit clay and studies are currently underway in two areas (a) building material – aggregate to produce lightweight non-load bearing bricks, blocks and pavers (b) as a slow release fertilizer medium in broad acre farming

Diatomite

- Hudson holds mining licences over diatomite deposits located between Perth & Geraldton WA
- Principal deposits are Badgingarra (stockpile 20,000t and inferred resource 330,000t) and Dongara (inferred resource 500,000t)
- Research program underway to test diatomite suitability in broad acre agriculture as a slow release agent in regional sandy soils
- Earlier test work confirmed diatomite as a suitable feedstock to produce high quality geotechnical aggregates

Hudson MPA Sdn Bhd

- Hudson holds a strategic shareholding of 22.50% interest in Hudson-MPA Sdn Bhd (HMPA) in Malaysia
- Malaysia is amongst the world's largest consumers of bleaching earth
- HMPA operates production facilities at Lumut and a marketing office in Kuala Lumpur in West Malaysia

Flint Clay

Work in this area has been discontinued in favour of similar refractory opportunities associated with our bauxite interests.



OTHER INVESTMENTS

Land & Building Complexes - Narngulu Geraldton WA

- Rental income from Hudson's industrial properties, comprising 14.5 hectares in area, at Geraldton Western Australia is A\$300,000 p.a.
- The properties include industrial complexes consisting of industrial and packaging sheds, warehouses and office facilities
- The properties have a combined value of A\$3.1 million at the end of the quarter

Plant & Equipment

- Hudson purchased new plant and equipment for a diatomite processing and filtration plant in the 1990s
- Key item is a unused rotary kiln (25,000 tpa processing capacity)
- Strategic future asset for use in upstream mineral investments
- Replacement value in excess of A\$5M

FURTHER INFORMATION

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