



**HUDSON RESOURCES LIMITED
ACN 008 720 965**

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 30 JUNE 2015**

Contents	Page
CORPORATE DIRECTORY	1
REVIEW OF OPERATIONS	2
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	7
INDEPENDENT AUDITOR'S REVIEW REPORT	8
DECLARATION BY DIRECTORS	10
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	11
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	12
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
CONSOLIDATED STATEMENT OF CASH FLOW	14
NOTES TO THE FINANCIAL STATEMENTS	15

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Hudson Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY

Hudson Resources Limited

ACN 008 720 965
ABN 71 008 720 965

Registered and Corporate Office

Level 2
Hudson House
131 Macquarie Street
Sydney NSW 2000
Telephone: +61 2 9251 7177
Fax: +61 2 9251 7500
Website: www.hudsonresources.com

Auditors

K.S. Black & Co
Level 6
350 Kent Street
Sydney NSW 2000
Telephone: +61 2 8839 3000

Lawyers

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: +61 2 9253 9999

Bankers

St George Bank Limited
Level 14, 182 George St
Sydney NSW 2200
Telephone: +61 2 9236 2230

Australia & New Zealand Banking Group Limited
20 Martin Place
Sydney NSW 2000
Telephone: +61 2 9227 1818

Directors

Tan Sri Ibrahim Menudin (Non-Executive Chairman)
Richard Yap
Vincent Tan
Benjamin Amzalak

Company Secretaries

Julian Rockett

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia
Telephone: 1300 850 505 (within Australia)

REVIEW OF OPERATIONS

Hudson Resources Limited (**Hudson**) is an unlisted public company specializing in investments in mining assets and listed resource companies.

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

Current resource investments embrace gold, industrial minerals and coal.

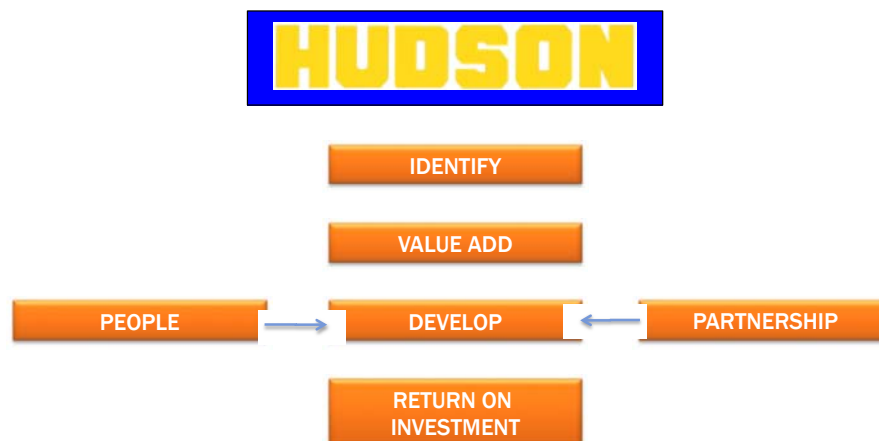


Figure 1 – Hudson origination model

ASSET PORTFOLIO SUMMARY

Mineral/Asset	Hudson Interest	Investment / Resource	No of Shares held	Current market value per share (31/07/15)
Gold	13.88%	Sovereign Gold Company Limited (ASX: SOC)	132,300,000	\$0.003
Coal	3.29%	Tiaro Coal Limited (ASX: TCM) Voluntary Administrator appointed	8,690,000	\$0.000

CORPORATE

On 3 February 2015 Vincent Tan was appointed a director of the Company and Luisa Tan resigned as a director of the Company.

KEY MINERAL INVESTMENTS

GOLD and BASE METALS

Hudson has 132.3 million shares in Sovereign Gold Company Limited (ASX: SOC)

Exploration

During the 2015 half year, Sovereign Gold's exploration activity was limited to planning multiple drill programs at the Rocky River-Uralla Gold Project, Mount Adrah Gold Project and the Halls Peak, Base and Precious Metals Project:

Rocky River-Uralla Gold Project

A fully funded diamond drilling program at the Rocky River EL 6483 Intrusion-Related Gold System (**IRGS**) commenced to test the historical Hudsons-McCrossins workings that have not been previously been drilled. The Hudsons-McCrossins workings consist of a series of pits and shallow shafts that extend for 360m on a north-east trend. They have been developed on a sheeted vein system in altered country rock and are associated with altered sulphide-bearing felsic dykes similar to the mineralised gold-bearing dyke drilled at Martins Shaft.

Rocky River IRGS Cooperative Drilling Program is funded by a \$65,000 grant by the NSW Government with the balance to be funded by the Company's Chinese partners, SUGEC. The Cooperative Drilling funding grant is to test a potential gold-bearing concealed circular pluton and associated structures indicated by the Company's airborne geophysical survey.

Mount Adrah Gold Project

Due diligence was conducted on EL 6372 by the Chinese investment consortium that can earn up to 50% through funding primarily contracted drilling programs through the spending of \$2,000,000. The drilling program is to more accurately constrain the tonnage, grade and contained ounces of gold from surface to a depth of 150 metres to support the scoping study on the project economics of developing an open cut gold mine to a depth of 150 metres.

An Exploration Planning Committee consisting of both the Company's and the JV partner's Geologists was formed to design an aggressive drill campaign.

Shallow drilling is initially planned to follow gold-bearing structures along strike and down dip. Further drill targets have been identified that may potentially host repetitions of Hobbs-like pipes.

High grade samples from historic mines in the Bangadang area returned high grade results from recent assay results announced by the Company. A diamond drilling program is expected to commence in October 2015.

Halls Peak, Base and Precious Metals Project

Three Exploration Licences in north-eastern NSW covering all identified areas of polymetallic (Zn, Pb, Cu and Ag) mineralisation.

Recent exploration and data interpretation has identified potential larger tonnage targets in two types of inferred mineralised settings.

- steeply dipping, deep tapping structurally controlled Cobar-style
- VTEM anomalies (1,221 line kilometres heliborne survey flown) with potential sulphide responses including large flat lying conductors in relatively undisturbed sedimentary basins, Target – potential large lead/zinc deposits - eg. HYC (MacArthur River)

A drilling program has been designed to test the down plunge extent of high grade mineralisation intersected in the 2013 drilling program at the Gibsons Mine. The project has been awarded \$90,500 grant funds pursuant to the NSW Government New Frontiers Cooperative Drilling program to fast track exploration drilling programs. A fully funded drilling campaign is expected to commence in September 2015.

Key Assets

Mount Adrah Intrusion-Related Gold System	
➤	Mount Adrah Hobbs Gold Deposit
➤	770,000 oz of gold, at various cut-off grades: Indicated: 440,000 oz from 12.1 Mt at 1.1 g/t gold and Inferred: 330,000 oz from 8.4 Mt at 1.1 g/t gold*
➤	High Grade Gold Reefs

INDUSTRIAL MINERALS

A total of 6,110 tonnes of Attapulgitic ore was sold during the half year.

Attapulgitic

The Company holds 4 mining leases at Lake Nerramyne near Geraldton WA that host an attapulgitic clay resource encompassing an area of 2,700 hectares; Inferred JORC compliant resource is 23.4 million tonnes



mining operation

including 9.4 million tonnes of high-grade attapulgitite. Of the Inferred JORC compliant resource the Indicated JORC compliant resource is 5.87 million tonnes of attapulgitite including 2.98 million tonnes of high-grade attapulgitite. The Inferred JORC compliant resource 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 attapulgitite ore

Diatomite

Hudson holds mining licences over diatomite deposits located between Perth & Geraldton WA; Principal deposits are Badgingarra (inferred resource 330,000t) and Dongara (inferred resource 500,000t). A 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.

COAL

Hudson has 9.2 million shares in Tiaro Coal Limited (ASX: TCM)

Currently Tiaro Coal Limited is suspended from trading on the ASX as it was placed into voluntary administration on 1 April 2015.

OTHER INVESTMENTS

Land & Building Complexes - Narngulu Geraldton WA which derives rental income from Hudson's industrial properties, comprising 14.5 hectares in area, at Geraldton Western Australia is A\$322,000 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 year.

Plant & Equipment

In the 1990's, Hudson purchased new plant and equipment for a diatomite processing and filtration plant. The key item is a unused rotary kiln (25,000 tpa processing capacity). The replacement value is in excess of A\$5M.

Vasse Coal Project

The Vasse Coal Project constituted 7 coal-mining licences in south-west WA. Pursuant to an agreement that was completed in 2006 the Company had rights providing for the transfer of the project tenements to the Company upon termination of a joint venture. The Company has exercised its rights and now owns these tenements, through VasseCo Pty Ltd, a wholly owned subsidiary of the Company.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Hudson Resources Limited (**Company**) and the entities it controlled at the end of or during the period ended 30 June 2015 and the Auditors' Review Report thereon.

Principal activities	<p>The principal activities of the Group during the reporting period were as follows:</p> <ul style="list-style-type: none"> • The mining and sale of attapulgitite • Exploration and development of attapulgitite mining leases • Investment and development of commercial property in Geraldton <p>There was no change to the nature of these activities during the reporting period.</p>
Review of operations	<p>Information on the operations and financial position of the consolidated entity and its business strategies and prospects are set out in the Review of Operations on pages 2 to 4 of this report.</p>
Financial performances	<p>The net consolidated loss of the Group for the six months ended 30 June 2015 was \$9.33 million (2014: Profit \$2.86 million).</p>
Dividends	<p>The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.</p>

Directors

The following persons held office as Directors of Hudson Resources Limited since the start of the financial year, to the date of this report, unless otherwise stated.

Tan Sri Ibrahim Menudin	Non-Executive Chairman	
Vincent Tan	Executive Director	Appointed 03 Feb 2015
Richard Yap	Executive Director	
Benjamin Amzalak	Non-Executive Director	
Luisa Tan	Non-Executive Director	Retired 03 Feb 2015

Rounding

The amounts contained in the half-year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Events Subsequent To Balance Date

There are no other matters or circumstances which have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the operations, in the financial half year subsequent to 30 June 2015, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in the financial half year subsequent to 30 June 2015, of the consolidated entity.

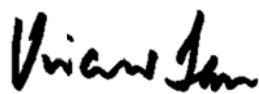
Tenement List

Application No	Licence No	Project	Status	Date Applied	Date Granted	Expiry Date	Area Sq kms
HRS - Attapulgitte							
	M70/128	Lake Nerramyne	Granted	5-Dec-83	21-Jun-85	20-Jun-27	1.20
	M70/389	Lake Nerramyne	Granted	5-Feb-88	28-Jul-89	27-Jul-31	7.20
	M70/483	Lake Nerramyne	Granted	6-Jan-89	31-Jul-90	30-Jul-32	9.51
	M70/606	Lake Nerramyne	Granted	2-Feb-90	30-Jul-90	29-Jul-32	8.91
						total	26.83
HRS - Diatomite							
	M70/129	Badgingarra	Granted	9-Dec-83	18-Jul-85	17-Jul-27	0.46
	M70/842	Badgingarra	Granted	23-Feb-94	17-Nov-94	16-Nov-15	0.84
	M70/38	Drak	Granted	2-May-83	24-Feb-84	23-Feb-26	0.36
	M70/361	Dongara	Granted	3-Nov-87	19-Nov-90	18-Nov-32	0.50
						total	2.17
VasseCo Pty Ltd							
	M70/275	Treeton	Granted	30-Jun-86	18-Apr-89	17-Apr-31	1.09
	M70/276	Treeton	Granted	30-Jun-86	18-Apr-89	17-Apr-31	7.26
	M70/393	RTE	Granted	15-Mar-88	12-Oct-89	11-Oct-31	7.44
	M70/394	RTE	Granted	15-Mar-88	12-Oct-89	11-Oct-31	7.69
	M70/395	RTE	Granted	15-Mar-88	12-Oct-89	11-Oct-31	3.47
	M70/504	RTE	Granted	14-Mar-89	4-Jul-91	3-Jul-33	2.62
						total	29.58
Mount Hector Gold Pty Ltd							
	EPM						
	19610	Mt Hector Gold	Granted	5-Apr-12	7-Jan-14	6-Jan-16	300
						total	300.00
						Total	358.58

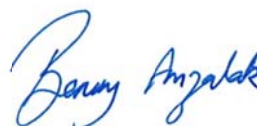
Auditor's Independence Declaration

We have obtained an independence declaration from our auditors, K. S. Black & Co which appears on page 7 of this report.

Signed in accordance with a resolution of the Directors:



Vincent Tan
Chief Executive Officer/Director



Benjamin Amzalak
Director

Sydney
4 September 2015

Chartered Accountants

ABN: 57 446 398 808

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HUDSON RESOURCES LIMITED
A.C.N. 008 720 965
AND CONTROLLED ENTITIES**

I declare that, to the best of our knowledge and belief, during the half year ended 30 June 2015, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporation Act 2001* in relation to the review;
and
- ii. any applicable code of professional conduct in relation to the review.

**K.S. Black & Co
Chartered Accountants**



**Sam Danieli
Partner**

4 September 2015

Chartered Accountants
ABN: 57 446 398 808

**Independent Auditor's Review Report to the Members of
Hudson Resources Limited
A.C.N. 008 720 965
And Controlled Entities**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hudson Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flow for the half-year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of Hudson Resources Limited (the company) are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Audit of the Entity*, in order to state whether, on the basis of procedures described, we have become aware of any matter that makes us believe that the half-year report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Hudson Resources Limited's financial position as at 30 June 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *corporations Regulations 2001*. As the auditor of Hudson Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the consolidated entity for the half-year ended 30 June 2015 included on the website of Hudson Resources Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Hudson Resources Limited and controlled entities on 4 September 2015, would be in the same terms if provided to the directors as at the date of this auditor's review report.

Basis for Qualified Conclusion

The consolidated group has an investment of \$13,000,000 by way of preference shares in Hudson Pacific Group Ltd which is a public unlisted company. After provisions of \$5,000,000 the carrying value of the investment is \$8,000,000. Hudson Pacific Group Ltd and its controlled entities have various investments and significant trade and other receivables. We have not been able to determine the recoverability of these investments and of receivables so we are unable to form an opinion on the \$8,000,000 carrying value of the investment.

Qualified Conclusion

Based on our review, which is not an audit, with the exception of the matter described on the preceding paragraph, nothing has come to our attention that causes us to believe that the 30 June 2015 financial report of Hudson Resources Limited does not present fairly, give a true and fair view of the financial position of the company as at 30 June 2015, and of its financial performance and its cash flows for the 30 June 2015 period ended on that date, in accordance with the *Corporations Act 2001*.

Emphasis of Matter Regarding Continuing as a Going concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report which shows that the financial report has been prepared on a going concern basis. We note that the consolidated entity incurred a net loss of \$9,331,200 and as at 30 June 2015 had current assets of \$757,016 and current liabilities of \$1,200,365. These conditions indicate the existence of a significant uncertainty which may cast doubt on the group's ability to continue as a going concern.

K.S. Black & Co
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Sam Danieli', written in a cursive style.

Sam Danieli
Partner

4 September 2015

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 11 to 19 , are in accordance with the *Corporations Act 2001*, and:
 - i give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and of its performance for the half-year ended on that date; and
 - ii comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Vincent Tan
Chief Executive Officer/Director



Benjamin Amzalak
Director

Sydney
4 September 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		Half-year ended 30-Jun-15 \$'000	Half-year ended 30-Jun-14 \$'000
Revenue	2	340	299
Other income and expenses	2	(8,681)	(1,355)
Cost of sales and administration		(744)	(5,351)
Finance expenses	2	(246)	(209)
		<hr/>	<hr/>
PROFIT/(LOSS) BEFORE INCOME TAX		(9,331)	(6,616)
Income tax (expense)/credit		-	-
PROFIT/(LOSS) AFTER TAX		(9,331)	(6,616)
		<hr/>	<hr/>
Other comprehensive Income			
Other comprehensive income before income tax		-	-
Income tax expenses		-	-
Other comprehensive income for the period		-	-
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(9,331)	(6,616)
Comprehensive income attributable to non-controlling interest		-	9,484
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(9,331)	2,868
		<hr/> <hr/>	<hr/> <hr/>
EARNINGS/(LOSS) PER SHARE		Cents	Cents
Basic earnings/(loss) per share		(7.88)	2.42
Diluted earnings/(loss) per share		(7.88)	2.42

This Statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	Consolidated	
		As at 30 Jun 2015 \$'000	As at 31 Dec 2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	3	163	287
Trade and other receivables		111	613
Financial assets		105	616
Inventories		368	275
Other current assets		10	15
Total current assets		757	1,806
Non-current assets			
Trade and other receivables		106	325
Financial Assets	4	8,000	13,000
Mining tenements	5	436	468
Plant and equipment		19	25
Investment property	6	3,900	3,078
		12,461	16,896
Total Assets		13,218	18,702
LIABILITIES			
Current Liabilities			
Trade and other payables	7	1,186	1,375
Financial liabilities	8	14	101
Total current liabilities		1,200	1,476
Non-current liabilities			
Trade and other payables	7	2,940	-
Financial liabilities	8	2,723	1,651
Provisions		259	189
Total non-current liabilities		5,922	1,840
Total Liabilities		7,122	3,316
Net Assets		6,096	15,386
EQUITY			
Issued capital	9	26,925	26,925
Reserves		12,649	12,608
Accumulated losses		(33,478)	(24,147)
Total equity attributable to equity holders of parent entity		6,096	15,386
Non-controlling interest		-	-
Total Equity		6,096	15,386

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2015

Consolidated	Notes	Issued Capital \$'000	Reserve \$'000	Accumulated Losses \$'000	Non-Controlling Interest \$'000	Total Equity \$'000
Balance at 31 December 2013		26,925	16,067	(24,321)	26,660	45,331
Profit/(Loss) for the period		-	-	2,868	-	2,868
Movement during the period		-	1,497	-	(12,305)	(10,808)
Balance at 30 June 2014		26,925	17,564	(21,453)	14,355	37,391
Balance at 30 June 2014		26,925	17,564	(21,453)	14,355	37,391
Profit/(Loss) for the period		-	-	(2,694)	-	(2,694)
Movement during the period		-	(4,956)	-	(14,355)	(19,311)
Balance at 31 December 2014	9	26,925	12,608	(24,147)	-	15,386
Balance at 31 December 2014		26,925	12,608	(24,147)	-	15,386
Profit/(Loss) for the period		-	-	(9,331)	-	(9,331)
Movement during the period		-	41	-	-	41
Balance at 30 June 2015	9	26,925	12,649	(33,478)	-	6,096

This Statement is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE HALF-YEAR ENDED 30 JUNE 2015

	Notes	Consolidated	
		Half-year ended	Half-year ended
		30-Jun-15	30-Jun-14
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		445	262
Interest received		2	98
Payments to suppliers, employees and exploration expenses		(988)	(4,215)
Interest paid		(51)	(96)
Net cash (used in)/provided by from operating activities		(592)	(3,951)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		40	4,215
Acquisition of investment		-	(2,000)
Repayment from other parties		1,822	2,798
Advance to other parties		(2,379)	(2,629)
Net cash provided by/(used in) from investing activities		(517)	2,384
CASH FLOWS FROM FINANCING ACTIVITIES			
Bank borrowing		2,700	-
Share placement cost – controlled entity		-	(181)
Repayment of borrowings		(1,715)	(50)
Net cash (provided by)/used in from financing activities		985	(231)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(124)	(1,798)
Cash and cash equivalents at the beginning of the reporting		287	2,103
CASH AND CASH EQUIVALENTS AT THE END OF THE	3	163	305
REPORTING PERIOD			

This Statement is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2015

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

Reporting Entity

Hudson Resources Limited (the "**Company**") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2015 comprises the Company and its controlled entities (together referred to as the "**consolidated entity**").

The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2014 is available upon request from the Company's registered office.

Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December, 2014.

This consolidated interim financial report was approved by the Board of Directors.

The consolidated entity is of a kind referred to in ASIC Class order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgement made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2014.

Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

This financial report has been prepared on a going concern basis

The investment property is fully leased and generates positive cash flow to the group.

The directors believe the company will be able to pay its debts as and when they fall due and to fund near term anticipated activities.

2. REVENUE AND EXPENSES**Specific items**

Profit before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the entity:

	Consolidated	
	Half-year ended 30-Jun-15 \$'000	Half-year ended 30-Jun-14 \$'000
(i) Revenue		
Sale of mineral product and rental income	340	299
(ii) Other Income and expenses		
Gain / (loss) on disposal of Investment	(1,342)	4,268
Interest Income	19	514
Change in fair value of investment property	822	-
Change in fair value of investment	(5,360)	(5,960)
Provision for doubtful debt	(2,820)	(315)
Others	-	138
	(8,681)	(1,355)
(iii) Financial and Other Expenses		
Depreciation and amortisation	(6)	(80)
Interest paid	(215)	(96)
Other	(25)	(33)
	(246)	(209)

3. CASH AND CASH EQUIVALENTS

	Consolidated	
	As at 30-Jun-15 \$'000	As at 31-Dec-14 \$'000
Cash at bank	(26)	98
Cash held in trust security deposits/bank guarantees	189	189
	163	287

4. FINANCIAL ASSETS

	Consolidated	
	As at 30-Jun-15 \$'000	As at 31-Dec-14 \$'000
Non-Current		
Investment in preference shares (note)	13,000	13,000
Provision for diminution in value	(5,000)	-
	8,000	13,000

Note: In December 2014, Company invested \$13.0 million in unsecured, perpetual, non-cumulative preference share of Hudson Pacific Group Limited, a public unlisted entity. The carrying amount is considered close approximate to its fair value.

5. MINING TENEMENTS

	Consolidated	
	As at 30 Jun 2015	As at 31 Dec 2014
	\$'000	\$'000
Mining interest and capitalised exploration expenditures	436	468

The recoverability of the carrying amount of evaluation and exploration assets is dependent upon successful development and commercial exploitation, or alternatively the sale of the respective areas of interest.

6. INVESTMENT PROPERTY

	Consolidated	
	As at 30 Jun 2015	As at 31 Dec 2014
	\$'000	\$'000
At fair value	3,900	3,078

Valuation Basis

The basis of the valuation of Geraldton investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The valuations were based on independent assessments made by member of the Australian Property Institute during the reporting period.

7. TRADE AND OTHER PAYABLES

	Consolidated	
	As at 30 Jun 2015	As at 31 Dec 2014
	\$'000	\$'000
Current		
Unsecured		
Trade Payables	1,154	266
Other and accrued payables	32	1,109
	1,186	1,375
Non-Current		
Unsecured		
Payable – related entities	2,940	-
	2,940	-

8. FINANCIAL LIABILITIES

	Consolidated	
	As at 30 Jun 2015	As at 31 Dec 2014
	\$'000	\$'000
Current		
Secured		
Leased liabilities	14	14
Bank borrowings	-	87
	14	101
Non-Current		
Secured		
Leased liabilities	23	30
Bank borrowings	2,700	1,621
	2,723	1,651

Security for borrowings

Bank loan is secured by first mortgages over the Group's investment property at Geraldton and fixed and floating charges over assets of the Group as specified below. The loans are repayable in year 2020.

9. ISSUED CAPITAL

	Consolidated Entity		Consolidated Entity	
	30-Jun-15	31-Dec-14	30-Jun-15	31-Dec-14
	Number of Shares	Number of Shares	\$'000	\$'000
Share capital				
Ordinary shares	118,385,822	118,385,822	26,925	26,925

(a) Movements in ordinary share capital:

Details	No. of shares	No. of shares	\$'000	\$'000
Balance	118,385,822	118,385,822	26,925	26,925
Movement during the period	-	-	-	-
Balance	118,385,822	118,385,822	26,925	26,925

(b) Terms and Conditions

Each ordinary share participates equally in the voting rights of the Parent Entity. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of and amounts paid on the shares held.

(c) Options

There are no unissued ordinary shares of the Company under option at the date of this report.

10. SEGMENT REPORTING

The consolidated entity operates one business being the mining, sale of mineral products and related development projects in Australia.

11. CONTINGENT LIABILITIES AND ASSETS

There are no other material contingent liabilities as at the date of this report.

Guarantees

Hudson Resources Limited and its wholly owned controlled entities entered into a Deed of Cross Guarantee under which each company guarantees the debts of the others. No deficiency of assets exists in the consolidated entity as a whole. No material losses are anticipated in respect of any of the above contingent liabilities.

12. COMMITMENTS

	Consolidated	
	As at 30-Jun-15	As at 31-Dec-14
	\$'000	\$'000
Exploration expenditure commitments		
Tenement exploration expenditure	821	898
Tenement lease payment	108	219
	929	1,117

The minimum exploration expenditure commitments and lease payments on the Group's exploration tenements totalling approximately \$0.92 million over the remaining term of the tenements.

COMMITMENTS continued**Remuneration expenditure commitments**

Salary and other remuneration commitments under long-term employment contracts existing at reporting date are not recognised as liabilities

	Consolidated	
	As at 30-Jun-15	As at 31-Dec-14
	\$'000	\$'000
Within one year	200	200
Later than one year but not later than 5 years	800	800
Later than 5 years	-	-
	1,000	1,000

During the period there was a service agreement in place formalising the terms of remuneration of Vincent Tan.

Service Agreement

The Company has entered into a Corporate Service Agreement with Hudson Corporate Limited pursuant to which Hudson Corporate Limited has agreed to provide its office management, registered office, administrative, accounting, compliance and secretarial services.

The term of the Corporate Services Agreement is two years and the fee payable is that amount agreed between the parties from time to time. The terms of the Services Agreement provide that Hudson Corporate Limited shall act in accordance with the Directions of the Board.

13. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2015 that have significantly affected or may significantly affect:

- the operations, the financial half year subsequent to 30 June 2015, of the Group;
- the results of those operations; or
- the state of affairs, the financial half year subsequent to 30 June 2015, of the Group.