

QUARTERLY ACTIVITIES REPORT

Quarterly Activities Statement period ending 30 June 2012

30 July 2012

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 Asian and local investor networking.

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

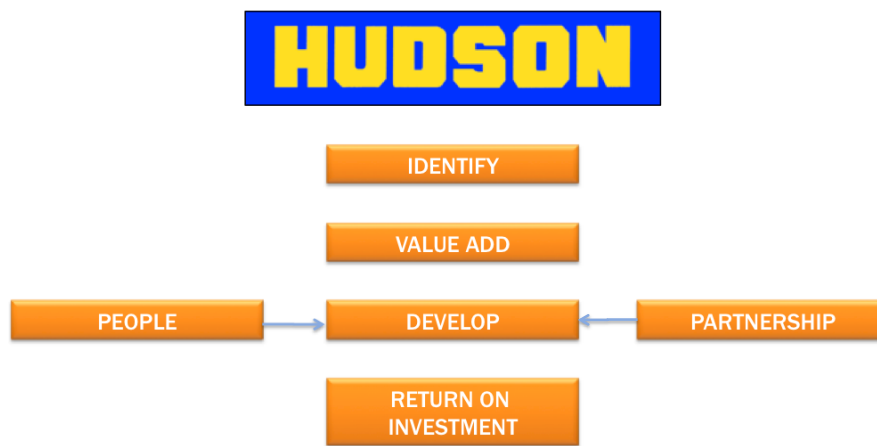


Figure 1 – Hudson origination model

ASSET PORTFOLIO SUMMARY

Mineral/Asset	Hudson Interest	Investment / Resource	No of Shares held	Current market value per share (30/06/12)
Coal	30%	Tiaro Coal Limited (ASX: TCM)	31,800,000	\$0.295
Bauxite	44%	Australian Bauxite Limited (ASX: ABZ)	45,667,337	\$0.408
Gold	52%	Sovereign Gold Company Limited (ASX: SOC) (escrowed to December 2012)	40,000,000	\$0.28

CORPORATE

Register snapshot

On 30 June 2012, Hudson Resources had 118,385,822 ordinary shares on issue and nil options.

Annual General Meeting

On 29 May 2012, Hudson Resources held its Annual General Meeting. All resolutions put to the meeting were passed on a show of hands.

KEY MINERAL INVESTMENTS**COAL**

Hudson has 31.8 million shares in Tiaro Coal Limited (ASX: TCM)

Tiaro's business objectives:

Exploration

To undertake exploration in the Maryborough Coal Basin for coal deposits with the potential to produce metallurgical (coking, PCI) and thermal coal:

- Well-positioned coal play in SE Queensland between Bundaberg and Gympie
- Two coal measures in Maryborough Coal Basin:
 - Tiaro Coal Measures
 - Burrum Coal Measures
- Large exploration area – 7 granted tenements – 1,624 sq kms; and 3 tenements – 2,097 sq kms under application
- Current drilling areas 92 km²
- Exploration target 100-200 million tonnes in the Tiaro Coal Measures
- Maiden 40Mt JORC resource (T9) Block A
- Metallurgical coal quality – high vitrinite
- Coking, PCI and Energy coals

Investment

To invest through equity participation in significant coal projects:

Galilee Basin

- 36% interest in Galilee Basin Project with Guildford Coal Limited (ASX: GUF)
- 262Mt Inferred Maiden JORC Resource

Clarence – Moreton Basin

- 55% Interest in Clarence–Moreton Basin Project with CM Basin Coal Holdings Limited
- Initial Exploration Target – 0-50 Mt

West of Blair Athol & Clermont coal mines

- Hancock Prospecting P/L earning up to 51% through Farm-In JV Agreement through 100% subsidiary

Minerals Trading

To develop a substantial volume of export trade in coal and other bulk commodities in partnership with China Qinfu Group:

- Facilitating trade supply negotiations and agreements with suppliers
- Establishing a trading house supporting the commodity requirements of its key shareholder China Qinfu Group.

BAUXITE

Hudson has 45.6 million shares in Australian Bauxite Limited (ASX: ABZ)

Australian Bauxite Limited (**ABx**) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 42 bauxite tenements in Queensland, NSW and Tasmania covering 8,960 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. Global resources declared to date total 106.4 million tonnes.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as 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.

Goulburn Bauxite Project Pre-Feasibility Study (PFS) expanded

Modelling is underway to provide a ramp-up option to 2.5 to 3Mtpa bauxite out of Port Kembla.

ABx has commissioned GHD to undertake the study. The expanded PFS is expected to be completed during the September quarter.

Reporting on the conclusions of the PFS will be made on completion of the ramp-up study and once commercial negotiations with potential customers have been well advanced. At the completion of the pre-feasibility study Marubeni can elect to acquire a 35% joint venture interest in the Goulburn-Taralga bauxite project.

GOLD

Hudson has 40 million shares in Sovereign Gold Company Limited (ASX: SOC)

Sovereign Gold is exploring large Intrusion-Related Gold Systems (IRGS) at the Rocky River-Uralla Goldfield in New South Wales and other gold prospects in the Eastern and Central Gold Belts of Peninsular Malaysia.

Sovereign Gold's Rocky River-Uralla Goldfield Project covers 2,400 square kilometres.

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

Sovereign Gold's exploration objective is to locate the hard rock gold sources.

On 9th July Sovereign Gold entered into a binding Takeover Bid Implementation Agreement (TBIA) with Precious Metal Resources Limited (PMR).

Subject to the terms of the TBIA, Sovereign Gold has offered to acquire all PMR ordinary shares not currently held by Sovereign Gold by way of an off-market takeover bid.

Sovereign Gold is offering nine (9) of its ordinary shares for every ten (10) PMR ordinary shares.

The bid is subject to a number of conditions including an 80% minimum acceptance condition.

The Bidder and Target Statements were despatched to PMR shareholders on 27 July 2012.

SORBENT MATERIALS

A total of 8,165 tonnes of Attapulgit ore was sold during the quarter.

Mining is conducted on a seasonal basis; 26,000 BCM of attapulgit was extracted during the 2012 mining campaign, completed in the second quarter of 2012.

Sorbent Minerals – Hudson Resources Limited

Hudson's sorbent minerals division continued its R & D program focusing on a broad range of environmental remediation issues in many facets of environmental contamination, remediation, and the validation of technology.



2012 mining campaign

Attapulgit

- 4 mining leases at Lake Nerramynne near Geraldton WA that host an attapulgit clay resource encompassing an area of 2,700 hectares; 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
- The current off take rate is in the order of 40,000 tonnes per annum

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

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\$316,725 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

Peter Meers,
Chief Executive Officer

Telephone: +61 2 9251 7177