



HUDSON RESOURCES LIMITED
ACN 008 720 965

HALF-YEAR REPORT
incorporating
APPENDIX 4D ASX HALF-YEAR INFORMATION
30 JUNE 2012

Lodged with the ASX under Listing Rule 4.2A

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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 2011 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

Peter J Meers (Chairman/Chief Executive Officer)
Tan Sri Ibrahim Menuhin
Ken Boundy
Kit Foo Chye

Joint Company Secretaries

David L Hughes
Julian Rockett

Share Registry

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

ASX Code – HRS

Hudson Resources Limited shares are listed on the Australian Securities Exchange.

This financial report covers the consolidated entity consisting of Hudson Resources Limited and its controlled entities.

Hudson Resources Limited is a company limited by shares, incorporated and domiciled in Australia.

HUDSON RESOURCES LIMITED
ACN 008 720 965

HALF-YEAR ENDED 30 JUNE 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Up	11.4%	to	603
Profit/(loss) from ordinary activities after tax	Down	89.8%	to	(135)
Net profit/(loss) for the period attributable to members	Up	353.2%	to	942

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

No dividends or distributions were declared or paid during the reporting period.

REVIEW OF OPERATIONS

This Review of Operations covers the period to 30 June 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.

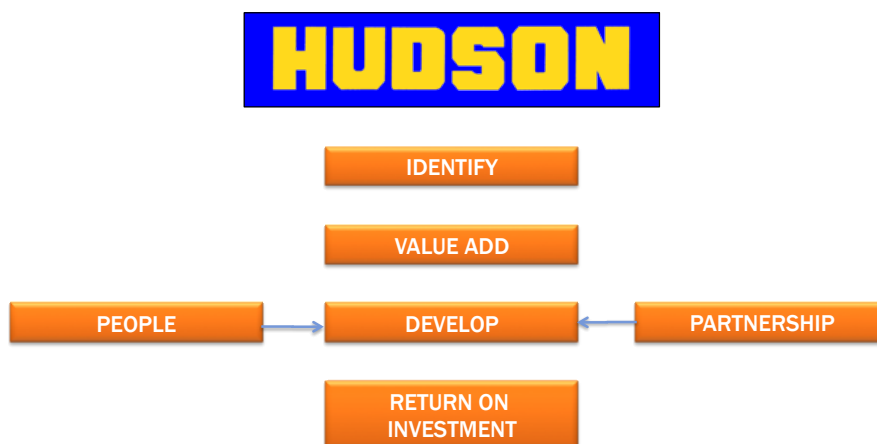


Figure 1 – Hudson origination model

ASSET PORTFOLIO SUMMARY¹

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

¹ At 30th June 2012

REVIEW OF OPERATIONS continued

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 Qinfa Group:

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

REVIEW OF OPERATIONS continued

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.

Sovereign Gold's Offer for Precious Metal Resources Limited

On 6th July 2012, Sovereign Gold Company Limited (**Sovereign Gold**) proposed an off-market takeover bid for Precious Metal Resources Limited (**PMR**).

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

The Offer closed on 27th August 2012. Sovereign Gold acquired 69,070,938 PMR Shares and is issuing 62,163,842 Sovereign Gold Shares as consideration. Following the takeover, Sovereign Gold holds 81.26% of PMR.

PMR holds good quality prospective tenements, Sovereign Gold believes in the long-term development potential of PMR's exploration assets, which include base metals and potentially gold in the exploration licences that PMR holds in its own right.

Sovereign Gold we will be able to continue to extend the Sovereign Gold expertise into the PMR tenements in parallel with Sovereign Gold's exploration programmes.

SORBENT MATERIALS

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

Attapulgitite

- 4 mining leases at Lake Nerramyne near Geraldton WA that host an attapulgitite clay resource encompassing an area of 2,700 hectares; inferred JORC is 23.4 million tonnes including 9.4 million tonnes of high-grade attapulgitite. Of the Inferred JORC the indicated JORC is 5.87 million tonnes of attapulgitite including 2.98 million tonnes of high-grade attapulgitite

REVIEW OF OPERATIONS continued

- 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 attapulgite ore
- The current off take rate is in the order of 40,000 tonnes per annum



2012 mining campaign

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

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.

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

DIRECTORS' REPORT

Your directors have pleasure in submitting their report together with the consolidated financial report of the consolidated entity (the **Group**), being Hudson Resources Limited (**Hudson**) (ASX: HRS) and its controlled entities for the half year ended 30 June 2012 and the Auditors' review report thereon.

Review of operations	Information on the operations and financial position of the Group and its business strategies and prospects are set out in the Review of Operations on pages 3 to 6 of this report.
Financial performances	The net consolidated profit of the Group for the six months ended 30 June 2012 was \$ 942,000 (2011: Loss \$372,000).
Dividends	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.

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.

Peter J Meers	Chairman / Chief Executive Officer
Tan Sri Ibrahim Menudin	Non-Executive Director
Ken Boundy	Non-Executive Director
Kit Foo Chye	Non-Executive Director
Nicholas Raffan	Non-Executive Director (resigned 4 January 2012)

Information on directors

Peter J Meers, BA (Economics) FAIB	Chairman / Chief Executive Officer Appointed on 2 August 2005 Peter Meers has broad business experience across a range of industries including consumer, commercial and investment banking, securities trading and origination, mining and exploration and building materials. Mr Meers held senior executive positions and portfolio management roles in agribusiness, mining, property and trade finance during a career spanning 25 years with ANZ Bank in Australia and Asia. Past directorships include appointment on company boards in Malaysia, Indonesia and Singapore.
Other Current Directorships	Executive Deputy Chairman of Tiaro Coal Limited Executive Deputy Chairman of Australian Bauxite Limited Non-Executive Director of Sovereign Gold Company Limited Non-Executive Director of Hudson Investment Group Limited Non-Executive Director of Precious Metal Resources Limited.
Former Directorships in the Last Three Years of Listed Companies	Non-Executive Director of Archer Exploration Limited
Special Responsibilities	Chairman of the Board and Chief Executive Officer Member of the Audit Committee
Interests in Shares and Options	Mr Meers has a direct interest in 5 million shares, an indirect interest in 8,552 shares held by a related party and a further 30,093,945 shares held by Hudson Investment Group Limited by virtue of being a director of Hudson Investment Group Limited and he has no power to vote these shares.

DIRECTORS' REPORT continued

Tan Sri Ibrahim Menudin, B.Com, FCA	<p>Non-Executive Director Appointed on 6 June 2007</p> <p>Tan Sri Ibrahim Menudin, a Malaysian citizen, is a Director and Chairman of Suria Capital Holdings Berhad a public-listed company on the Main Board of Bursa Malaysia Berhad. Tan Sri was formerly the Chief Executive Officer of Bumiputra Investment Fund of Sabah until 1985. He had also served as Chairman of Sabah Gas Industries Sdn Bhd, Deputy Chairman of Sabah Forest Industry Sdn Bhd as well as being board member of other Sabah Government corporations ranging from finance, forestry, and manufacturing, plantations, hotel and property development.</p> <p>He was previously appointed a board member of Malaysian Mining Corporation Berhad and Group Chief Executive and was also a board member of Ashton Mining Limited and Plutonic Resources Limited.</p>
Other Current Directorships	<p>Non-Executive Chairman of Tiaro Coal Limited Non-Executive Chairman of Raffles Capital Limited</p>
Former Directorships in the Last Three Years of Listed Companies	None
Special Responsibilities	<p>Member of the Remuneration Committee Member of the Audit Committee</p>
Interests in Shares and Options	Tan Sri Menudin has an indirect interest on 5,000,000 shares held by related parties and 11,285,837 shares held by Raffles Capital Limited by virtue of being a director of Raffles Capital Limited and he has no power to vote shares.

Ken Boundy, MBA, M Agr Sc, Fellow of AIM, AIAST	<p>Non-Executive Director Appointed 29 January 2010</p> <p>Mr Boundy is a company director, strategy consultant and businessman – with particular interests in international marketing. Previously Mr. Boundy was Managing Director of the Australian Tourist Commission (and then Tourism Australia) from 2001 to 2005, following 15 years in leadership roles in the private sector which covered Divisional Head and CEO roles in the food, wine and building materials industries.</p>
Other Current Directorships	<p>Chairman of Regnan Governance Research and Engagement; Chairman of Hydrasyst; Non-Executive Director of Tarkine Wilderness Pty Ltd; Non-Executive Director of Horticulture Australia Limited Non-Executive Director of Australian Bauxite Limited.</p>
Former Directorships in the Last Three Years of Listed Companies	<p>Chairman of Acelero Pty Ltd; Non-Executive Director of Dexion Limited; Non-Executive Director Australian Wool Innovation.</p>
Special Responsibilities	<p>Member of the Remuneration Committee Member of the Audit Committee</p>
Interests in Shares and Options	Mr Boundy has a direct interest in 1 million shares and an indirect interest in a further 1 million shares held by a related entity.

DIRECTORS' REPORT continued

Kit Foo Chye	Non-Executive Director Appointed 10 March 2010
	Mr Chye is an accountant by profession with 15 years' experience in the management and administration of publicly listed companies in Malaysia and Australia. He has managed a significant number of initial public offerings and secondary market capital raisings for public and private companies, his main strength being in the restructuring and financing of entities, including preparation of prospectuses and other requirements for listings on the Bursa Malaysia Berhad and on the ASX.
Other Current Directorships	Director of Rocklands Richfield Limited; Director of Voltage IP Limited Director of Allmine Group Limited.
Former Directorships in the Last Three Years of Listed Companies	Director of Synergy Metals Limited; Managing Director of Zheng He Global Capital Limited
Special Responsibilities	None
Interests in Shares and Options	Mr Chye has a direct interest in 198,505 shares and an indirect interest in 3,350,884 shares held by a related entity.

Nicholas Raffan BA; Diploma in Geoscience	Non-Executive Director Appointed a Director on 19 August 2011 Resigned 4 January 2012
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DIRECTORS' REPORT continued**Officers**

<p>David L Hughes</p>	<p>Joint Company Secretary</p> <p>Mr Hughes has held similar positions with other listed companies for over 20 years. He is currently the Company Secretary of the following other ASX listed public companies; Latrobe Magnesium Limited, Hudson Investment Group Limited , and Joint Company Secretary of Empire Energy Group Limited, Tiaro Coal Limited, Sovereign Gold Company Limited and Raffles Capital Limited.</p>
<p>Julian Rockett, B. Arts, LL.B. GDLP</p>	<p>Joint Company Secretary</p> <p>Mr Rockett was appointed to the position of Joint Company Secretary on 15 June 2011. He is also Joint Company Secretary of Tiaro Coal Limited and Precious Metal Resources Limited. His background is in government services and his most recent role was at a Sydney commercial litigation practice. Mr Rockett provides secretarial assistance to Australian Bauxite Limited, Raffles Capital Limited and Sovereign Gold Company Limited and provides in-house legal support to listed and non-listed corporate entities.</p>
<p>Francis Choy MCom MBA FCPA (HK) FCPA CA</p>	<p>Chief Financial Officer</p> <p>Francis Choy has held a number of senior positions in corporate financial management roles throughout Australia and South East Asia. He has extensive experience in project finance, compliance, acquisition and investment appraisals. He has been involved in project financial, financial management of property development and telecommunication projects in South East Asia. He held senior financial roles for numerous public listed companies both in Hong Kong and Australia.</p>
<p>Jacob Rebek</p>	<p>Leading Consultant</p> <p>Mr Rebek is a leading Australian geologist with forty years experience in exploration. From 1970 to 2003 he worked in CRA and Rio Tinto in various parts of Australia and overseas, including the roles of exploration manager for Papua New Guinea in 1970's, South Australia and Northern Territory from 1981 to 1984, Eastern Australia from 1987 to 1993 and Exploration Director for South America from 1997 to 2000; he led teams which discovered new zinc, copper, gold, coal and iron ore deposits. Since 2003 he worked for emerging companies, generating new projects. In 2006 he started working for Hudson Resources as Chief Geologist.</p> <p>Mr Rebek is Executive Director of Australian Bauxite Limited, Non-Executive Director of Tiaro Coal Limited and Sovereign Gold Company Limited.</p>

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

At the date of this report there are no matters or circumstances which have arisen since 30 June 2012 that have significantly affected or may significantly affect:

- the operations, in the financial half year subsequent to 30 June 2012, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in the financial half year subsequent to 30 June 2012, of the consolidated entity.

DIRECTORS' REPORT continued**Tenement List**

Application No	Licence No	Project	Status	Date Granted	Expiry Date	Area Sq kms
HRS - Attapulgitte						
	M70/128	Lake Nerramyne	Granted	21-Jun-85	20-Jun-27	1.2
	M70/389	Lake Nerramyne	Granted	28-Jul-89	27-Jul-31	7.2
	M70/483	Lake Nerramyne	Granted	30-Jul-90	29-Jul-32	9.5
	M70/606	Lake Nerramyne	Granted	31-Jul-90	30-Jul-32	8.9
Total						26.8
HRS - Diatomite						
	M70/129	Badgingarra	Granted	18-Jul-85	17-Jul-27	0.5
	M70/361	Dongara	Granted	19-Nov-90	18-Nov-32	0.5
	M70/38	Drak	Granted	24-Apr-84	23-Feb-26	0.4
	M70/842	Badgingarra	Granted	17-Nov-94	16-Nov-15	0.8
Total						3.0
Mount Hector Gold Pty Ltd						
EPMA 19610		Mt Hector Gold	Application			300
EPMA 19714		Kennedy Creek	Application			300
Total						600
VasseCo Pty Ltd						
	M70/275	Treeton	Granted	18-Apr-89	17-Apr-31	9.8
	M70/276	Treeton	Granted	18-Apr-89	17-Apr-31	8.9
	M70/277	Treeton	Granted	18-Apr-89	17-Apr-31	9.2
	M70/393	RTE	Granted	12-Oct-89	11-Oct-31	8.4
	M70/394	RTE	Granted	12-Oct-89	11-Oct-31	9.6
	M70/395	RTE	Granted	12-Oct-89	11-Oct-31	6.7
	M70/504	RTE	Renewal Pending	4-Jul-91	3-Jul-12	9.0
Total						61.6

DIRECTORS' REPORT continued**JORC Code Compliant Public Reports**

The Company advises that this Half-Yearly Report contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

The following table references the location of the Code-compliant Public Reports or Public Reporting on which the summaries are based. These references can be viewed on the ASX website and the Company will provide these reports, free of charge, to any person who requests it.

JORC Report

Issue Date	Title of Notice as lodged with ASX
30/07/2012	Quarterly Activities Report
15/06/2012	Change in substantial holding for ABZ
29/05/2012	Results of Meeting
29/05/2012	HRS 2012 AGM Chairman's Address
25/05/2012	Ceasing to be a substantial holder for AXE
17/05/2012	Change in substantial holding for TCM
01/05/2012	Change in substantial holding for AXE
27/04/2012	Quarterly Activities Report
27/04/2012	Notice of Annual General Meeting/Proxy Form
30/03/2012	Annual Report to shareholders
22/03/2012	Investment Portfolio Update
22/03/2012	Change in substantial holding for ABZ
15/03/2012	Hudson Investment in Archer
15/03/2012	Change in substantial holding for AXE
24/02/2012	Preliminary Final Report
09/02/2012	Change in substantial holding from RAF
30/01/2012	Quarterly Activities Report
05/01/2012	Appendix 3Z - Final Director's Interest Notice
04/01/2012	Director Appointment/Resignation

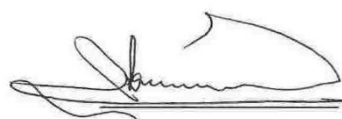
Auditor's Independence Declaration

We have obtained an independence declaration from our auditors, K. S. Black & Co which appears on page 13 of this report.

Signed in accordance with a resolution of the Directors:



Peter J Meers
Chairman/Chief Executive Officer



Tan Sri Ibrahim Menuidin
Director

Sydney
29 August 2012

**AUDITORS INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Hudson Resources Limited

In connection with the review of Hudson Resources Limited for the period ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) No contravention of any applicable code of professional conduct in relation to the review.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney; 29 August 2012

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HUDSON RESOURCES LIMITED

Report on the Financial Report

We have reviewed the accompanying interim financial report of Hudson Resources Limited which comprises the statement of financial position as at 30 June 2012, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, accompanying notes and directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the interim 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 Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 30 June 2012, and its performance for the half year ended on that date; and complying with Australian Standard AASB 134 Interim Financial reporting and Corporations Regulations 2001. As 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 an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other 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.

Statement of Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.



INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF HUDSON RESOURCES LIMITED
(continued)

Review Opinion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Hudson Resources Limited does not present fairly, in all material respects the financial position of Hudson Resources Limited as at 30 June 2012, and of its financial performance and its cash flows for the half year period ended on that date in accordance with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney: 29 August 2012

DECLARATION BY DIRECTORS

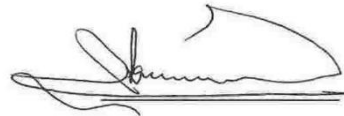
The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 17 to 25, 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 2012 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:



Peter J Meers
Chairman/Chief Executive Officer



Tan Sri Ibrahim Menudin
Director

Sydney
29 August 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 30 JUNE 2012

	Notes	Consolidated	
		30-Jun-12 \$'000	30-Jun-11 \$'000
Revenue	2	603	541
Operating and exploration expenses		(1,254)	(1,122)
Gross Profit		(651)	(581)
Other income	2	3,378	1,504
Administration expenses		(2,533)	(2,064)
Finance expenses	2	(335)	(184)
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		(141)	(1,325)
Income tax (expense)/credit		6	-
PROFIT/(LOSS) AFTER TAX		(135)	(1,325)
Other comprehensive Income		-	-
Other comprehensive income before income tax		-	-
Income tax expenses		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(135)	(1,325)
Comprehensive income attributable to outside equity interest		1,077	953
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		942	(372)
EARNINGS/(LOSS) PER SHARE		Cents	Cents
Basic earnings/(loss) per share		0.80	(0.31)
Diluted earnings/(loss) per share		0.80	(0.31)
CONTINUING OPERATIONS			
Basic earnings/(loss) per share		0.80	(0.31)
Diluted earnings/(loss) per share		0.80	(0.31)

This Statement of Comprehensive Income is to be read in conjunction with the condensed notes to the consolidated interim financial report.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	Consolidated	
		30-Jun-12 \$'000	31-Dec-11 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	3	4,170	7,355
Trade and other receivables		2,156	2,271
Financial assets		20	42
Inventories		567	475
Other current assets		71	238
Total current assets		6,984	10,381
Non-current assets			
Trade and other receivables		5,508	2,080
Financial Assets		401	1,569
Mining tenements	4	24,540	20,032
Plant and equipment and lease asset		212	245
Investment property		2,976	3,004
Total non-current assets		33,637	26,930
Total assets		40,621	37,311
LIABILITIES			
Current liabilities			
Trade and other payables		1,084	578
Financial liabilities		14	14
Employee benefits provision		130	89
Total current liabilities		1,228	681
Non-current liabilities			
Trade and other payables		-	-
Financial liabilities		1,924	1,930
Provisions		237	223
Total non-current liabilities		2,161	2,153
Total liabilities		3,389	2,834
Net assets		37,232	34,477
EQUITY			
Issued capital	5	26,925	26,925
Reserves		19,100	19,310
Accumulated losses		(27,071)	(28,013)
Total equity attributable to equity holders of parent entity		18,954	18,222
Minority interest		18,278	16,255
Total Equity		37,232	34,477

This Statement of Financial Position is to be read in conjunction with the condensed notes to the consolidated interim financial report.

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 JUNE 2012

Consolidated	Notes	Issued Capital \$'000	Capital Profits Reserve \$'000	Minority Interest \$'000	Accumulated Losses \$'000	Total Equity \$'000
Balance at 31 December 2010		26,925	17,917	14,320	(26,003)	33,159
Movement			904	205		1,109
Loss for the period		-	-	-	(372)	(372)
Balance at 30 June 2011		<u>26,925</u>	<u>18,821</u>	<u>14,525</u>	<u>(26,375)</u>	<u>33,896</u>
Balance at 30 June 2011		26,925	18,821	14,525	(26,375)	33,896
Profit/(Loss) for the period		-	-	-	(1,638)	(1,638)
Movement during the period		-	489	-	-	489
Minority interest movement		-	-	1,730	-	1,730
Balance at 31 December 2011		<u>26,925</u>	<u>19,310</u>	<u>16,255</u>	<u>(28,013)</u>	<u>34,477</u>
Balance at 31 December 2011		26,925	19,310	16,255	(28,013)	34,477
Profit/(Loss) for the period		-	-	-	942	942
Movement during the period		-	(210)	-	-	(210)
Minority interest movement		-	-	2,023	-	2,023
Balance at 30 June 2012	5	<u>26,925</u>	<u>19,100</u>	<u>18,278</u>	<u>(27,071)</u>	<u>37,232</u>

This Consolidated Statement of Changes in Equity is to be read in conjunction with the condensed notes to the consolidated interim financial report.

STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 30 JUNE 2012

	Notes	Consolidated	
		30-Jun-12 \$'000	30-Jun-11 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		760	497
Interest received		210	453
Payments to suppliers, employees and exploration expenses		(6,153)	(4,998)
Interest paid		(65)	(67)
Net cash (outflow)/inflow from operating activities		(5,248)	(4,115)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of mining tenements		-	(3,070)
Payments for property, plant and equipment		(7)	(79)
Proceeds from sale of investments		4,870	1,744
Acquisition of investment		(1,020)	-
Advance to other parties		(3,337)	(720)
Net cash inflow/(outflow) from investing activities		506	(2,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from share placement - controlled entity		1,563	2,016
Repayment received		-	945
Repayment of borrowings		(6)	-
Net cash inflow/(outflow) from financing activities		1,557	2,961
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS HELD		(3,185)	(3,279)
Cash and cash equivalents at the beginning of the reporting period		7,355	15,512
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	3	4,170	12,233

This Consolidated Statement of Cash Flow is to be read in conjunction with the condensed notes to the consolidated interim financial report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 JUNE 2012

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 2012 comprises the Company and its subsidiaries (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 2011 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, 2011.

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 2011.

Accounting Policies

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

NOTES TO THE FINANCIAL STATEMENTS continued**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	
	30-Jun-12	30-Jun-11
	\$'000	\$'000
(i) Revenue		
Sale of mineral product and rental income	603	541
(ii) Other Income		
Contribution received for funded expenditures	508	-
Gain on disposal of Investment	2,454	982
Interest Income	356	518
Others	60	4
	3,378	1,504
(iii) Financial and Other Expenses		
Depreciation and amortisation	56	42
Interest paid	66	67
Option costs	33	46
Other	180	29
	335	184

3. CASH AND CASH EQUIVALENTS

	Consolidated	
	30-Jun-12	31-Dec-11
	\$'000	\$'000
Cash at bank	3,730	6,946
Security deposits in issuing bank guarantees	440	409
	4,170	7,355

4. MINING TENEMENTS

Capitalised exploration expenditures	24,540	20,032
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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.

NOTES TO THE FINANCIAL STATEMENTS continued**5. ISSUED CAPITAL**

	Consolidated Entity		Consolidated Entity	
	30-Jun-12	31-Dec-11	30-Jun-12	31-Dec-11
	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:**Consolidated**

Date	Details	No. of shares	\$
1 January 2012	Balance	118,385,822	26,925,016
	Movement during the period	-	-
30 June 2012	Balance	118,385,822	26,925,016

(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 Hudson Resources Limited under option at the date of this report.

6. INTEREST IN JOINT VENTURE

Tiaro Energy Corporation Pty Limited, a controlled entity, holds 92.35% (2011: 81.58%) in Tiaro Joint Venture Coal Project (unincorporated joint venture).

The controlled entity has entered into the joint venture to develop a substantial new metallurgical coal resource in the Tiaro coal measures located in South-East Queensland.

One controlled entity has entered into the joint venture to develop a new coal resource in the Clermont Coal mines in Queensland.

The Group's interest in the assets employed in the joint venture are included in the consolidated Balance Sheet in accordance with accounting policy 2 (b), under the following classifications:

(a) Proportionately Consolidated Joint Venture Entities

	% Ownership Interest	
	30-Jun-12	30-Jun-11
	%	%
Tiaro Coal Joint Venture	92.35	81.58
Bundaberg Coal Tenement – Clermont Coal mines	50.00	50.00

(b) Aggregate Share of Assets, Liabilities and Profits/(Losses) of Joint Venture Entities

	Current Period	Previous Corresponding Period
Group's Share of proportionately consolidated Joint Venture Entities:	\$	\$
Current assets	130,981	941,902
Long term assets	-	-
Current liabilities	402,885	29,811
Long term liabilities	-	-
Revenue	-	-
Other Income	200,078	20
Expenses	(1,111,416)	(288,363)
Share of net loss of joint venture entities	(911,338)	(288,343)

NOTES TO THE FINANCIAL STATEMENTS continued**7. SEGMENT REPORTING**

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

	Consolidated	
	30-Jun-12	31-Dec-11
	\$'000	\$'000
Guarantees granted in respect of Mining Bonds	189	189

8. CONTINGENT LIABILITIES AND ASSETS

A controlled entity is a participant in the Clermont Coal Mine Joint Venture and the TCJV/Dynasty joint ventures and is funding exploration in order to increase its interest. Project funding is subject to the approval of the Joint Venture Management Committees. At the date of this report the Committee had not considered the funding for the next proposed drilling programme. Accordingly, no funds have been committed. 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.

9. COMMITMENTS

	Consolidated	
	30-Jun-12	31-Dec-11
	\$'000	\$'000
Exploration expenditure commitments		
Tenement exploration expenditure*	22,061	4,593
Tenement lease payment	2,923	488
	24,984	5,081

*Expenditure in relation to the Vasse Coal Project is subject to application for exemption to expenditure and determination by the Minister of Permission to Mine following future discussion on grant of environmental approvals.

The minimum exploration expenditure commitments and lease payments on the Group's exploration tenements totalling approximately \$24.9 million over the term of the tenements.

Remuneration expenditure commitments

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

	Consolidated	
	30-Jun-12	31-Dec-11
	\$'000	\$'000
Within one year	550	400
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
	550	400

NOTES TO THE FINANCIAL STATEMENTS continued**9. COMMITMENTS continued**

In 2012, there was a service agreement in place formalising the terms of remuneration of Peter Meers.

The service agreement commenced on 3 June 2008 and has a term of 5 years.

Mr Meers may terminate the agreement upon 6 months' notice and the Company may terminate at any time without showing cause but must compensate Mr Meers by payment of all amounts that would have been paid to Mr Meers had the agreement run for its full term. The Company may terminate the agreement in the event of serious misconduct by Mr Meers without any compensatory payment.

Service Agreement

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

The term of the 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.

10. 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 2012 that have significantly affected or may significantly affect:

- the operations, the financial half year subsequent to 30 June 2012, of the Group;
- the results of those operations; or
- the state of affairs, the financial half year subsequent to 30 June 2012, of the Group.

SUPPLEMENTARY APPENDIX 4D INFORMATION**NTA Backing**

	30-Jun-2012	31-Dec-2011
Net tangible asset backing per ordinary share	17.54 cents	18.05 cents

Controlled entities acquired or disposed during the period

No entities were acquired or disposed of during the reporting period.

Loss of control of entities during the period

No entities were disposed of during the reporting period.

Returns to shareholders

The company does not have a dividend/distribution reinvestment plan.

Associated and Joint Venture Entities

Refer to Note to Financial Statements

Foreign Accounting Standards

N/A

Audit Alert

The Auditor's Review Report is included in the financial statements.