

## QUARTERLY ACTIVITIES REPORT

### Hudson Resources Limited

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### Quarterly Activities Statement period ending 31<sup>st</sup> December 2012

This quarterly activities report is dated 31<sup>st</sup> January 2013 and is for the three months ending 31<sup>st</sup> December 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 industrial minerals.

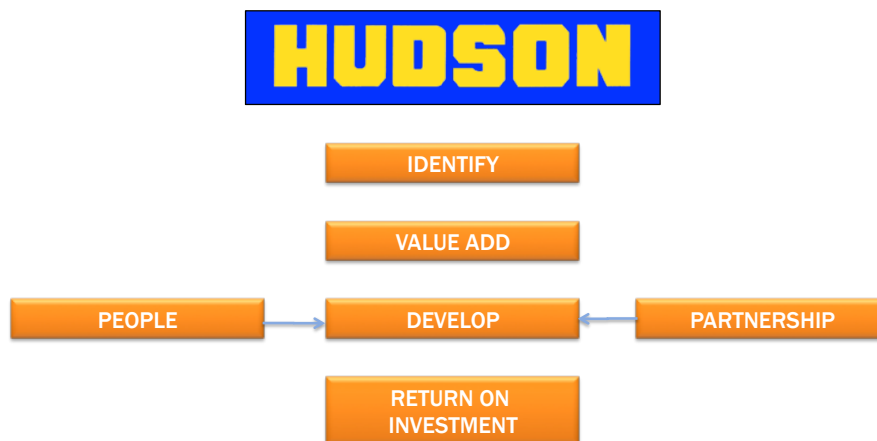


Figure 1 – Hudson origination model

## ASSET PORTFOLIO SUMMARY

Mineral/Asset	Hudson Interest	Investment / Resource	No of Shares held	Current market value per share (31/12/12)
Coal	28%	Tiaro Coal Limited (ASX: TCM)	32,000,000	\$0.195
Bauxite	43%	Australian Bauxite Limited (ASX: ABZ)	45,667,337	\$0.295
Gold	29%	Sovereign Gold Company Limited (ASX: SOC)	40,000,000	\$0.23

## CORPORATE

### Register snapshot

On 31 December 2012, Hudson had 118,385,822 ordinary shares on issue and nil options.

**KEY MINERAL INVESTMENTS****COAL**

**Hudson has 32 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
- Paragon Coal P/L (66.67%) established to develop EPC 956 and EPC 957
  - Current drilling areas 92 km<sup>2</sup>
  - Exploration target 100-200 million tonnes<sup>ET</sup> 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**

- 29.2% interest in Galilee Basin Project with Guildford Coal Limited (ASX: GUF)
- 623Mt Inferred Maiden JORC Resource

**Clarence – Moreton Basin**

- 55% Interest in Clarence–Moreton Basin Project with CM Basin Coal Holdings Limited
- Initial Exploration Target<sup>ET</sup> – 50-100 Mt

**West of Blair Athol & Clermont coal mines**

- 50% interest in EPC 1262

**Minerals Trading**

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

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

**<sup>ET</sup> Exploration Targets**

The potential quantity and grade of exploration targets is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

**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 6,883 km<sup>2</sup> 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. ABx conducts vigorous reviews of the commercial viability of its projects and tenements, resulting in new acquisitions, but also reductions in area as exploration is conducted.

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 115.6 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.

**GOLD and BASE METALS*****Hudson has 40 million shares in Sovereign Gold Company Limited (ASX: SOC)***

Sovereign Gold is exploring large Intrusion-Related Gold Systems 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 2,650 square kilometres.

The principal 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.

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

Sovereign Gold announced a total of \$21 million funding from Jiangsu Geology and Engineering Co Ltd, a Chinese SOE to fast track exploration and development for two year funded program over multiple tenements, an increase of over \$15 million of the funding announced in March 2012.

Exploration expenditure for the six months to 31 December 2012, including SUGEC earn-in is \$1,682,072

***Precious Metal Resources Ltd (ASX: PMR) (SOC: 81.26%)***

Halls Peak is the inferred volcanic centre for extensive small but high grade Volcanic Massive Sulphide (VMS) deposits rich in copper, lead, zinc and silver, with variable but largely untested gold values. Current exploration aims to locate the right depositional environment to host a high-grade deposit of between 30,000 and 170,000 tonnes<sup>ET</sup> within a global exploration target of 5 – 70 million tonnes<sup>ET</sup> of mixed grade mineralisation. Several geochemical and geophysical anomalies are also present that should identify further high grade, near-surface sulphides. Additional to the VMS prospectivity, there are indications for the presence of orogenic gold from breccia floaters and small pods of Au-rich quartz on the tenements carrying 1 to 10 g/t Au.

A substantial body of exploration data has been generated over the years by the Geological Survey of NSW and a number of major mining companies including BHP Ltd., MIM Ltd., The Zinc Corporation, Allstate Exploration NL, Carpentaria Exploration Co. Ltd., CRA Exploration Limited and Amoco Minerals Australia Co.

PMR is expanding on this work, additionally PMR has identified a potential large SEDEX deposit under the Halls Peak project area.

<sup>ET</sup> The potential quality and grade is conceptual in nature, that there has been insufficient exploration to define full Mineral Resources and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

**INDUSTRIAL MINERALS**

A total of 4,921 tonnes of Attapulgit ore was sold during the quarter.

**Attapulgit**

- 4 mining leases at Lake Nerramyne 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

**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)

**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

### JORC Code Compliant Public Reports

The Company advises that this Quarterly Operations 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. The Company will provide these reports, free of charge, to any person who requests it.

Release Date	Title of Notice as lodged with ASX
<b>Sovereign Gold Company Ltd (ASX: SOC)</b>	
21/12/2012	Frasers Find up to 25.1 g/t gold & 141 g/t silver
06/12/2012	Gold-Bearing Structure in Martins Shaft Dyke Doubled in Length
28/11/2012	Sovereign Gold-SUGEC Project Summaries – Multiple Gold and Base Metal Targets
02/11/2012	Large Area of Newly Discovered Gold Mineralisation in Dyke Hosting Martins Shaft
24/10/2012	Further IRGS Systems Discovered on EL 7766 – Recent Assays up to 79.3 g/t Gold and 96.4 g/t Silver
10/10/2012	Repetitions of Martins Shaft-style Gold Mineralisation Discovered Following Airborne Geophysical Survey
<b>Precious Metal Resources Limited (ASX: PMR)</b>	
11/12/2012	3D modelling of VTEM survey conductive layer, Halls Peak
29/11/2012	Large conductive zones beneath former Halls Peak copper zinc lead silver mines
23/10/2012	Significant gold anomalies suggest potential for Hillgrove style gold / antimony, Halls Peak
08/10/2012	High-grade copper/ lead/ zinc pods at Halls Peak
<b>Tiaro Coal Limited (ASX: TCM)</b>	
05/12/2012	Resource Upgrade Exploration Commenced – First hole hits coal and confirms seam continuation
17/10/2012	White Mountain JORC Upgrade
<b>Australian Bauxite Limited (ASX: ABZ)</b>	
03/12/2012	3.5 Million Tonnes Maiden Resource – Granted Qld Mining Lease
08/11/2012	Maiden Tasmanian Resource
15/08/2011	Maiden Guyra Resource, 6.0 Million Tonnes
08/05/2012	Inverell JORC Resource Update, 38.0 Million Tonnes
30/05/2012	Taralga Bauxite Resource Increased 50% to 37.9 Million Tonnes
29/07/2012	Binjour Maiden Resource, 24.5 Million Tonnes