

QUARTERLY ACTIVITIES REPORT

Hudson Resources Limited

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Quarterly Activities Statement period ending 30 September 2013

This quarterly activities report is dated 31st October 2013 and is for the three months ending 30th September 2013.

Hudson Resources Limited (**Hudson**) (ASX: HRS) is an Australian listed 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.

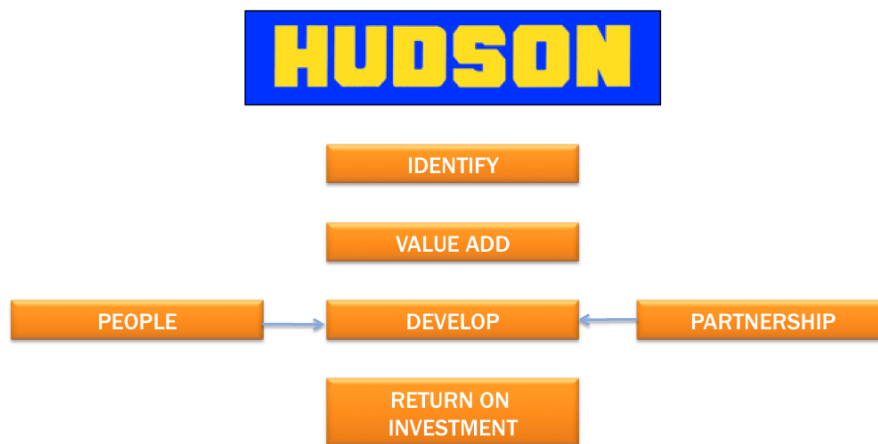


Figure 1 – Hudson origination model

ASSET PORTFOLIO SUMMARY

Mineral/Asset	Hudson Interest	Investment / Resource	No of Shares held	Current market value per share (30/09/13)
Coal	28%	Tiaro Coal Limited (ASX: TCM)	31,800,000	\$0.07
Bauxite	29%	Australian Bauxite Limited (ASX: ABZ)	32,667,337	\$0.16
Gold	26%	Sovereign Gold Company Limited (ASX: SOC)	40,000,000	\$0.19

CORPORATE

Register snapshot

At the end of the quarter, Hudson had 118,385,822 ordinary shares on issue and nil options.

During the quarter Hudson completed a minimum share holding sale for holders of unmarketable parcels of shares. The shares of 1,643 shareholders who held unmarketable parcels of shares were sold at 5 cents per share.

Effective 1 August 2013, Peter Meers retired as Executive chairman and will continue to serve as a non-executive director. Tan Sri Ibrahim Menudin took the role of non-executive chairman and Richard Yap was appointed as Executive director of Hudson.

David Hughes and Allan Scadden retired as joint company secretaries. Allan Scadden remains the Company's compliance officer. Julian Rockett is the company secretary.

KEY MINERAL INVESTMENTS

COAL

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

Tiaro's business objectives:

MARYBOROUGH COAL BASIN

To undertake exploration for coal deposits with the potential to produce metallurgical (coking, PCI) and thermal coal.

- Well-positioned coal tenements in the Wide Bay - Burnett region of SE Queensland.
- Two Coal Measures in Maryborough Coal Basin:
 - Tiaro Coal Measures
 - Burrum Coal Measures
- Large exploration area with 9 granted tenements – 2,013 km²; and 3 tenements – 930 km² under application

To develop coal mining operations

- Key activities will be:
 - Coal mine investment / development in partnership with coal end users, infrastructure developers and logistics managers
 - Coal mine management
 - Coal production, logistics management and market placement

Position Tiaro as Investment Company, working with shareholders and partners in development of coal projects in the Maryborough Basin

- Paragon Coal is the first such partnership, developing Tiaro's initial coal project

BUSINESS COLLABORATION

Paragon Coal (Tiaro 66.7%) established to explore and develop resources within EPCs 956 & EPC 957

- 87 Mt JORC Coal Resource on T9 West¹
- Conceptual in nature Exploration Target 200 - 300 million tonnes in Tiaro Coal Measures²
- Metallurgical (Coking & PCI) coals³

CM Basin Holdings Limited (Tiaro 55%) holds 20% interest in the Anggana Coal Project in East Kalimantan, Indonesia

- Anggana Coal Project includes an established thermal coal mine (Bara Naga open cut) and three further nearby coal concessions
- The CMH investment intended to generate dividends to Tiaro which are to be employed in Maryborough Coal Basin exploration and project development

DIVESTMENTS

Galilee Basin

- 29.2% indirect interest in the Clyde Park Project with Guildford Coal Limited (ASX: GUF)
- 677Mt Inferred JORC Resource⁴

Clarence – Moreton Basin

- 55% Interest in Clarence–Moreton Basin Project with CM Basin Coal Holdings Limited

West of Blair Athol & Clermont coal mines

- 50% interest in EPC 1262

BAUXITE

Hudson has 32.67 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 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. 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.

ABx's bauxite is high quality, gibbsite-rich bauxite 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.** At Inverell in northern NSW, a resource of 38.0 million tonnes¹ has been reported from drilling 35% to 40% of the area prospective for bauxite; at the Taralga project in southern NSW, a resource of 37.9 million tonnes² of bauxite has been reported; at Guyra³, a 6.0 million tonnes maiden resource was declared; at the Binjour Plateau in central QLD, a 24.5 million tonnes⁴ resource has been declared; in Tasmania, a 5.7 million tonnes maiden resource has been declared and at Mundubbera in central Qld, a 3.5 million tonnes maiden resource has been declared, confirming that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality.

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.

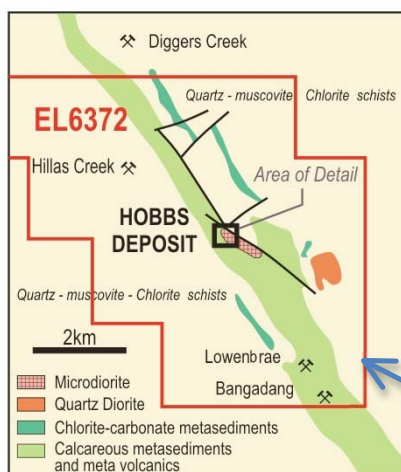
GOLD and BASE METALS

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

About Sovereign Gold Company Limited

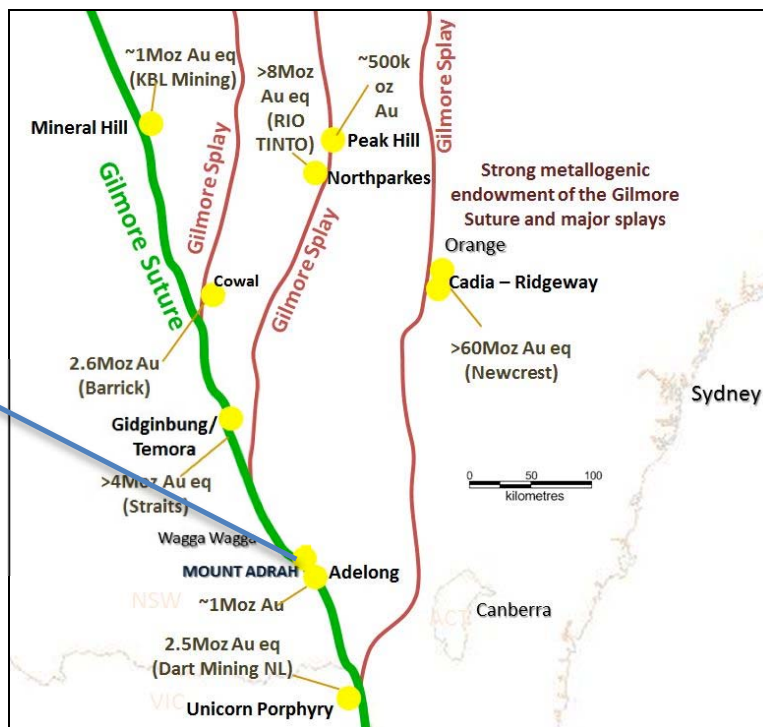
Sovereign Gold Company Limited (**Sovereign Gold**), (ASX: SOC) is an ASX listed company exploring primarily for gold in NSW.

Sovereign Gold acquired an 87% interest in Gossan Hill Gold Limited (Gossan Hill) in early 2013. Subsequently, additional exploration and deep drilling at Mt. Adrah (Hobbs Pipe 1) has uncovered a potentially world-class Intrusion-Related Gold System (IRGS) discovery. Evaluation is continuing. The Mt. Adrah Project is located approximately 50 km southeast of the regional NSW Centre of Wagga Wagga and 23km northwest of the historic gold mining district of Adelong.



Location map and geological setting, EL 6372

Location of Mount Adrah relative to several world- class gold deposits situated on the Gilmore Suture and associated splays



Sovereign Gold also holds 11 Exploration Licences over 3,240km² near Armidale in NSW including the historic Rocky River-Uralla Goldfields. Sovereign Gold's aggressive exploration program in several of these licence areas for 2013 is fully funded via a joint venture (at the tenement level) with Jiangsu Geology & Engineering Co Ltd (SUGEC), a major Chinese State-owned geology enterprise.

SUGEC funded drilling, near Martins Shaft in the Uralla area, has recently confirmed the presence of another potentially large IRGS discovery.

Sovereign Gold holds 80% of Precious Metal Resources Limited (PMR) (ASX: PMR), an ASX listed exploration company. PMR holds 20 ELs and ELAs over prospective base and precious metal ground, many in close proximity to Sovereign.

About Gossan Hill Gold Limited and the Hobbs Gold Project

Gossan Hill is an unlisted exploration company with numerous IRGS gold prospects in New South Wales.

The recent acquisition of a controlling interest (87%) in Gossan Hill by Sovereign Gold provides multiple benefits for Sovereign Gold, including an expanded exploration footprint in New South Wales with an additional three quality project areas within 8 Exploration Licenses.

Prior to the acquisition by Sovereign Gold, exploration indicated the potential for a significant gold resource presence at the Gossan Hill properties and in particular, the recently discovered Hobbs IRGS deposit which should enable Sovereign Gold to rapidly deliver resource growth and leverage off its experience exploring for IRGS in New South Wales.

The Hobbs IRGS deposit is close to good infrastructure (power, transport and water) and is held within EL 6372, EL7844, EL 8127 and ELA 4868.

The Mt Adrah Project is approximately 23km north west of the township and old gold mining centre of Adelong, in central western NSW.

Hobbs Pipe 1 in EL 6372 has a JORC compliant 650,000-ounce resource, consisting of 101,000 oz Measured; 303,000 oz Indicated; and 246,000 oz Inferred at a 0.75 g/t Au cutoff.

INDUSTRIAL MINERALS

A total of 2,485 tonnes of Attapulgit ore was sold during the quarter.

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 compliant resource is 23.4 million tonnes including 9.4 million tonnes of high-grade attapulgit; of the Inferred JORC compliant resource the Indicated JORC compliant resource is 5.87 million tonnes of attapulgit including 2.98 million tonnes of high-grade attapulgit
- 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 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 has sold its interest in Hudson-MPA Sdn Bhd in Malaysia for consideration of \$A400,000.

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\$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 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

Qualifying statements

The information in this announcement that relates to the Company's Attapulgitic JORC resource of 23.4 million tonnes was released to the ASX on 19 January 2009. It was compiled by Malcolm Carson on behalf of Hudson Resources Limited. Malcolm Carson is a consultant to the company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration. Mr Carson has a BS degree in geology and an MSc in Natural Resource Management and he is a Member of the Australian Institute of Mining and Metallurgy. He has sufficient experience which is relevant to the type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results. Mr Carson consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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 JORC 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
Sovereign Gold Company Ltd (ASX: SOC)	
30/9/2013	Extensive Higher-grade gold zone encountered at Hobbs Pipe 1
22/8/2013	Increase and upgrade of existing JORC Resource plus new JORC Resource from first two drill holes
Tiaro Coal Limited (ASX: TCM)	
² 9/5/2013	Exploration target and strategy for T9
¹ 7/5/2013	Updated JORC resources of 87Mt for T9 West
³ 11/3/2013	Coal Quality Review Confirms Metallurgical Coal Potential
⁴ 8/2/2013	Galilee Basin project JORC increase to 677MT
Australian Bauxite Limited (ASX: ABZ)	
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