

ASX Announcement

27 May 2014

The following is the Chairman's address to be presented at the Company's Annual General Meeting at 1pm, Tuesday 27 May 2014.

Chairman's Address **2014 HRS Annual General Meeting**

On behalf of my fellow directors I am pleased to welcome you to Hudson Resources Limited's 2014 (**the Company**) Annual General Meeting.

The net consolidated operating profit of the Company was \$4,004,000 against a profit of \$813,000 in 2012. The financial results of the consolidated entity largely reflected the Company's divestment of its interest in Australian Bauxite Limited (ASX:ABZ).

In line with our corporate strategy the Company originated and developed the business at low costs and exited the investment post-JORC stage with the purpose of re-deploying invested capital to identify and develop additional mineral resources investment opportunities.

The past financial year has seen intense pressure pervade the resources sector due to uncertainty in global financial markets and the risk aversion of investors. This pressure was most intense in markets where many of Australia's resource production is destined. These global trends have impacted negatively on the market values of most listed explorer and developer peer companies, from which your Company has not been immune.

Notwithstanding these external factors, the core strategy of the Company remains unchanged. As project quality becomes increasingly important, your Board is confident that its investment portfolio has excellent potential to deliver attractive returns in the short to medium term.

The Company's strategy remains focused on identifying and investing in tenements prospective in precious metals (gold and silver), base metals (copper, lead, zinc, etc.) and in bulk minerals with high value-add potential. The Company will also consider further investment in non-ferrous industrial minerals (sorbet and activated clays used in a wide range of industries including agriculture, horticulture and water treatment). During the year, your Company continued to see positive returns from its operations in absorbent clay and wholesale minerals.

The Company is a proven originator and discoverer of resource mineral assets with the potential to deliver high asset valuation appreciation. This value adding trend is now emerging through the Company's controlled entities as they develop key partnerships to progress projects from the exploration to development and production stages.

The Company holds 30% of Sovereign Gold Limited (ASX:SOC) (Sovereign Gold). Sovereign Gold acquired the highly prospective Mt Adrah Gold Project in 2013. Since acquiring the project, exploration efforts have yielded over a three-fold increase in the gold Mineral Resource. Your Board believes it has the potential to be developed into a world-class gold project with several targets and development options identified across the tenement properties.

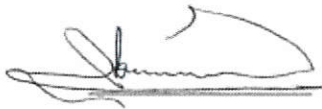
Continued funding of operations has been provided by the Company's investments in bulk minerals. The Board is confident there are further opportunities to develop and expand production of attapulgate and diatomite in existing and new products.

Through its investments, the Company has significant growth potential and diligent management decisions will need to be made to encourage this growth. The decision to delist has been brought to this meeting based on this principle. The onerous listing and related costs, the level of spread of the Company's shareholders and the lack of liquidity of the company's shares have driven the Board's decision.

2013 was another challenging year for the Company. However, we remain diligent in our determination to remain focused on developing a stable of high quality resource assets whose underlying values are expected to grow during the forthcoming financial year.

Your directors would like to thank management, staff and our consultants for their work in consolidating and advancing the performance of the Company over the past year.

Yours faithfully,



Tan Sri Ibrahim Menudin
Chairman