



**HUDSON RESOURCES LIMITED**  
**ABN 71 008 720 965**

**HALF-YEAR REPORT**  
**incorporating**  
**APPENDIX 4D ASX HALF-YEAR INFORMATION**  
**30 JUNE 2011**

**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 2010 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

ABN 71 008 720 965

ACN 008 720 965

### Registered and Corporate Office

Hudson House

Level 2

131 Macquarie Street

Sydney NSW 2000

Telephone: (02) 9251 7177

Facsimile: (02) 9251 7500

Website: [www.hudsonresources.com](http://www.hudsonresources.com)

### Share Registry

Computershare Investor Services Pty Limited

GPO Box 2975

Melbourne VIC 3001

Telephone: 1300 850 505 (within Australia)

### Auditor

K. S. Black & Co.

Level 6

350 Kent Street

Sydney NSW 2000

Telephone: (02) 8839 3000

### Bankers

St George Bank Limited

Corporate & Business Bank

Level 5, 2-14 Meredith St

Bankstown NSW 2200

Telephone: (02) 8760 8100

Australia & New Zealand Banking Group Limited

20 Martin Place

Sydney NSW 2000

Telephone: (02) 9227 1818

### Lawyer

Piper Alderman

Level 23 Governor Macquarie Tower

1 Farrer Place

Sydney NSW 2000

Telephone: (02) 9253 9999

### Board of Directors

Peter J Meers (Chairman / Chief Executive Officer)

Tan Sri Ibrahim Menudin

Ken Boundy

Kit Foo Chye

Nicholas Raffan

### Joint Company Secretaries

David L Hughes

Julian Rockett

### 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 and Controlled Entities

ABN 71 008 720 965

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## HUDSON RESOURCES LIMITED ABN 71 008 720 965

HALF-YEAR ENDED 30 JUNE 2011

### Results for Announcement to the Market

				<b>\$'000</b>
<b>Revenue</b> from ordinary activities	Up	2.6%	to	541
<b>Profit/(loss)</b> from ordinary activities after tax	Up	281.8%	to	(1,325)
<b>Net profit/(loss)</b> for the period attributable to members	Down	290.7%	to	(372)

<b>Dividends/distributions</b>	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.

## DIRECTORS' REPORT

Your directors have pleasure in submitting their report together with the consolidated financial report of the consolidated entity, being Hudson Resources Limited (**Hudson**) (ASX: HRS) and its controlled entities for the half year ended 30th June 2011 and the Auditor's review report thereon.

### Executive Review

Hudson 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 Asia and local investor networking (Figure 1).

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

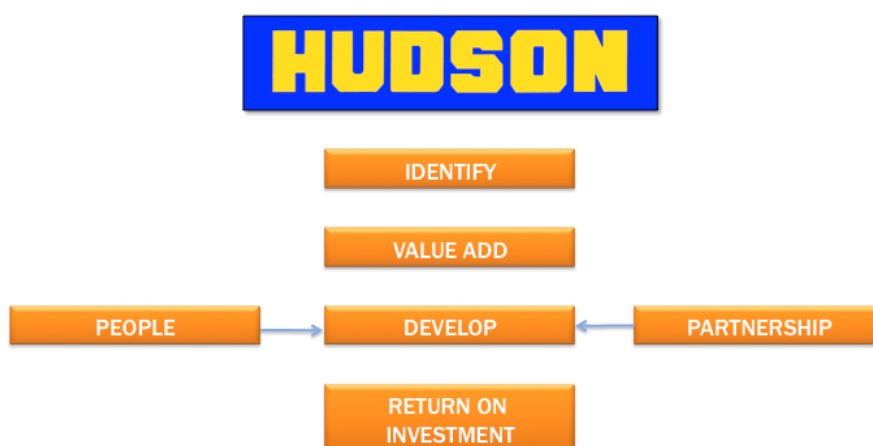


Figure 1 – Hudson origination mode

### Review of Operations

Hudson's spin offs continue to perform well. The following table presents a summary of Hudson's resource investments, which should be read in conjunction with the financial statement and attaching notes later in this report.

Mineral/Asset	Hudson Interest (30/06/11)	Investment / Resource	No of Shares held	Market value per share (30/06/11)
Coal	39%	Tiaro Coal Limited (ASX: TCM)	31,800,000	\$0.28
Bauxite	55%	Australian Bauxite Limited (ASX: ABZ) (escrowed to 23 Dec 2011)	55,617,337	\$0.69
Gold	52%	Sovereign Gold Company Limited (ASX: SOC) (escrowed to 29 November 2012)	40,000,000	\$0.36
IOMCG-U <sup>+</sup> Industrial Minerals	10%	Archer Exploration Limited (ASX: AXE)	6,500,000	\$0.14

<sup>+</sup> Iron Ore, Manganese, Copper, Gold, Uranium

## Directors' Report (continued)

### ***Head of Research and Development appointed***

In June 2011, Dr Venkata Kambala (PhD in Chemistry; MSc in Applied Geochemistry; BSc Chemistry and Geology) was appointed Head of Research and Development of Hudson's Sorbent Minerals Division.

Dr Kambala is a former Research Fellow at the University of South Australia in the Division of Information Technology, Engineering and the Environment and will spearhead research and development.

New business opportunities in Hudson's research and development program include:

- bleaching earth
- insitu soil rehabilitation contaminated by toxins
- waste water treatment
- slow release fertiliser and nutrient carriers
- increasing water retention capacity of soils

Dr Kambala has worked in France, Switzerland and Australia over the past decade. He is an experienced environmental professional specializing in the fields of contamination assessment and remediation with specific experience in the development of modified natural material based commercial products for environmental remediation.

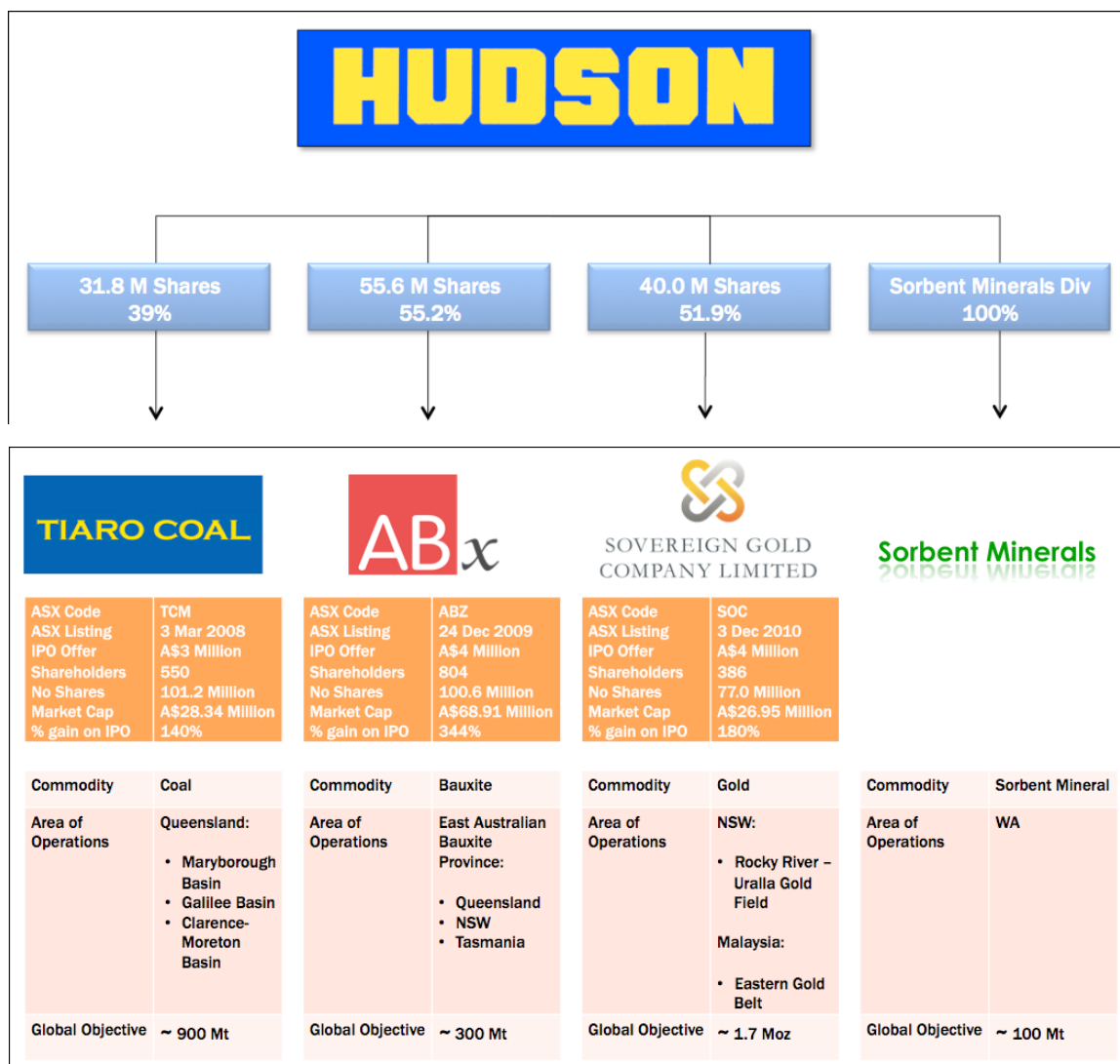
In Australia he has worked in a number of universities primarily focused on product development and the commercialization of products developed through Research and Development.

Dr Kambala has a sound knowledge of a broad range of environmental remediation issues and has acquired experience in all facets of environmental contamination, remediation, and validation of technology development and has worked with numerous consultants, companies and government clients.

In the last few years he has successfully developed and validated natural material based technologies that are currently being adopted nationally to manage soil and wastewater contamination. Dr Kambala is the developer of Australia's first and award winning technology for the remediation of water and soil.

## Directors' Report (continued)

### KEY MINERAL INVESTMENTS



### COAL

#### Coal – Tiaro Coal Limited (ASX: TCM)

Tiaro Coal Limited (**Tiaro**) is an Australian mining company undertaking exploration for commercially viable coal deposits with the potential to produce metallurgical (coking, PCI) coals from the Tiaro Coal Measures and other coal prospective areas with good infrastructure.

Since listing, Tiaro has successfully completed coal exploration programmes consisting of:

- a detailed airborne magnetic and radiometric survey, to enable better selection of target zones for follow-up exploration;
- seismic surveys to define target zones with flat lying strata;
- a regional gravity survey, and follow up surveys to define targets for drilling;
- drill testing of the targets to find coal deposits;
- follow up drill testing on EPC 956 and EPC 957 to define deposits of high value (metallurgical) coal.

## Directors' Report (continued)

A JORC definition program has commenced at T9 / Munna (EPC 956) with the completion of the acquisition stage of the reflection seismic survey. This will be followed by infill drilling in targets where the best coal intersections have been obtained in previous drilling programmes.

Exploratory drilling on new gravity targets on Tiaro's other tenements commenced in the June quarter and is continuing.

The tenements cover a large part of the known exposures of the Tiaro Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland.

The area is well serviced by nearby infrastructure, including manpower, mining support services, road, and rail and port facilities. The main Brisbane-Gladstone rail line bisects the exploration tenements.

Tiara's Galilee Project Tenement acquired by Guildford Coal Limited

Tiara completed a transaction with Guildford Coal Limited (Guildford), with respect to EPC 1260 located approximately 230km southwest of Townsville, situated towards the northern boundary of the Galilee Basin near Pentland. It consists of 133 sub-blocks (399 sq km).

Guildford acquired a 51% interest upon payment of \$3.3m and has a \$5m sole funding commitment to the exploration and development of EPC 1260.

The tenement is part of Guildford's White Mountain Project and according to Guildford, EPC 1260 has a potential Exploration Target of 0 to 745 million tonnes of Galilee Basin thermal coal.

Guildford has commenced drilling.

***Hudson has 31.8 million shares representing 39% interest in Tiara Coal Limited (this interest reduced to 31.4% following a placement by Tiara in late July 2011).***

## BAUXITE

### **Bauxite - Australian Bauxite Limited (ASX: ABZ)**

Australian Bauxite Limited (**ABx**) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 38 bauxite tenements in Queensland, NSW and Tasmania covering 8,850 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's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally. At ABx's first drilling prospect in Inverell, northern NSW, an interim resource of 35 million tonnes has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 25 million tonnes of bauxite has been reported at the Taralga project in southern NSW. A maiden resource of 6 million tonnes has been declared at Guyra, NSW.

Total declared bauxite resources by ABx are 66 million tonnes.

Results from the Binjour Plateau in central Queensland confirm 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.

***Hudson has 55.6 million shares representing 55% interest in Australian Bauxite Limited.***



## Directors' Report (continued)

### GOLD

#### Gold - Sovereign Gold Limited (ASX: SOC)

Sovereign Gold Company Limited (**Sovereign**) is exploring a large Intrusion-Related Gold System (IRGS) at the Rocky River-Uralla Goldfield in New South Wales.

Sovereign Gold's Rocky River-Uralla Goldfield Project covers 2,500 square kilometres.

The 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.

Available production records indicate that the Rocky River-Uralla Goldfield yielded 5,193 kg (approx. 167,000 ounces) of gold mostly from Tertiary deep leads during the period 1858-1967.

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

In June 2011 Sovereign announced that it had entered into a 50% joint venture in Malaysia. The Malaysian JV has provided Sovereign with another avenue for growth, another project, which like the Rocky River-Uralla Goldfield, has never been properly explored, and thus is a very exciting opportunity.

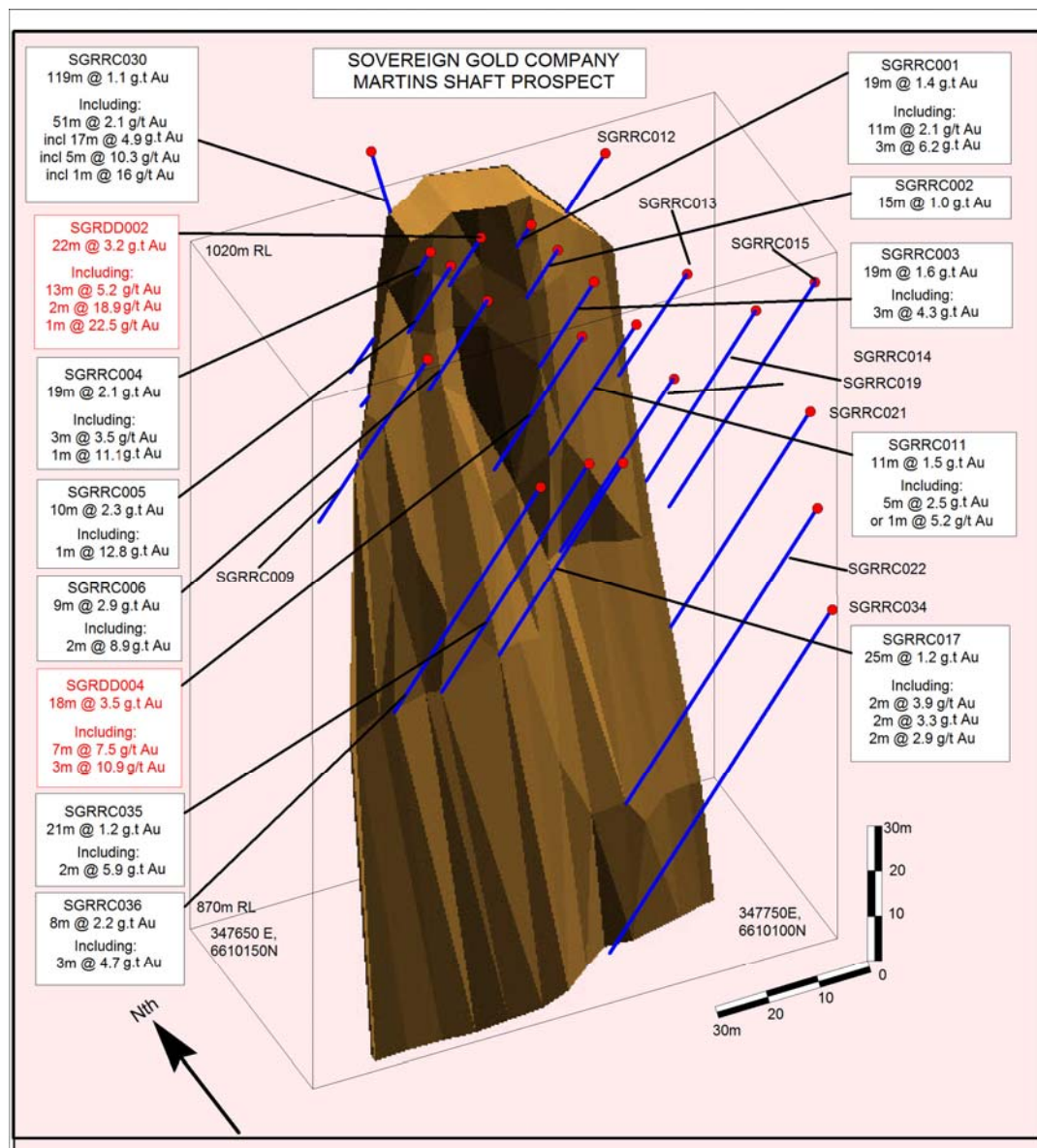


Figure 2 – Martins Shaft drill hole gold intercepts - Mineralised lode constructed with solid shading - gold mineralisation potential open both at depth (widening) and along SW trend

**Hudson has 40 million shares representing between 52% interest in Sovereign Gold.**

## Directors' Report (continued)

### IOMCG-U – INDUSTRIAL MINERALS

#### IOMCG-U – Archer Exploration Limited (ASX: AXE)

Archer Exploration Limited (Archer) is a copper, gold and uranium explorer focused on the discovery of ore deposits. Archer owns a portfolio of projects, covering an area in excess of 7,000 km<sup>2</sup> in the highly prospective Gawler Craton and Adelaide Fold Belt regions of South Australia. Archer's Evelyn Dam prospect in the West Roxby Project is an iron ore-manganese-copper-gold-uranium (IOMCG-U) targets which has a gravity anomaly similar in size to the nearby Olympic Dam operations. Industrial Minerals embrace magnesite, graphite and phosphate mineralisations.

**Hudson holds 6.5 million shares representing 10% of the issued capital of Archer.**

### SORBENT MATERIALS

#### Sorbent Minerals – Hudson Resources Limited

Hudson's Sorbent Minerals Division has commenced an extensive R & D program under the direction of Dr Kambala.

It is focusing on a broad range of environmental remediation issues in many facets of environmental contamination, remediation, and the validation of technology.

#### Attapulgit

- 4 mining leases at Lake Nerramayne near Geraldton WA that host an attapulgit clay resource encompassing an area of 2,700 hectares.
- Attapulgit stockpile of 30,000 tonne Inferred JORC is 23.4 million tonnes. Of the Inferred JORC the indicated JORC is 5.87 million tonnes of 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.

#### Sorbent Minerals



Water Filtration



#### 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.

#### Flint Clay

Work in this area has been discontinued in favour of similar refractory opportunities associated with our bauxite interests.

**Directors' Report (continued)****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\$300,000 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.

**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.

<b>Issue Date</b>	<b>Title of Notice as lodged with ASX</b>
<b>Australian Bauxite Limited (ASX: ABZ)</b>	
15 August 2011	Maiden Guyra Resource 6 million tonnes
27 July 2011	Quarterly Activities Report
28 June 2011	Drilling Update - Guyra Discovery
12 May 2011	Taralga JORC Upgrade - Pre-Feasability initiated
13 April 2011	Quarterly Activities Report
31 March 2011	Annual Report to shareholders
09 February 2011	Australian Bauxite Drill Update

**Tiaro Coal Limited (ASX: TCM)**

29 July 2011	Quarterly Activities Report
19 May 2011	TCM JORC Resource Drilling to Commence
13 April 2011	Quarterly Activities Report
31 March 2011	Successful Shallow Seismic Survey to Continue over 4 kms
23 March 2011	Top Quality Coal Identified
28 January 2011	Quarterly Activities Report

## Directors' Report (continued)

### Sovereign Gold Limited (ASX: SOC)

28 June 2011	High Grade Gold Intercepts.
20 June 2011	Goldsworth Mine Drilling Update.
17 June 2011	Malaysian Gold Joint Venture.
24 May 2011	SOC – 119 Metres Gold Intersection.
11 May 2011	Successful First Pass RC Drilling Programme Completed.
15 April 2011	Presentation by Chief Geologist.
13 April 2011	Quarterly Activities Report.
31 March 2011	Annual Report to Shareholders.
28 March 2011	New Target – Vickers 1 oz Gold Source.
15 March 2011	325m Gold Extension.
01 March 2011	Alluvial Gold Source Identified.
28 January 2011	Quarterly Activities Report.
24 January 2011	Accelerated Drilling Program.
21 January 2011	2011 Drilling Underway – Testing Martin's Shaft.
15 January 2011	IRGS Confirmed at Rocky River-Uralla Goldfield.
07 July 2011	Good Gold Grades – Drilling Update.

## Financial Result

The net consolidated operating loss of the Company for the six months ended 30 June 2011 was \$372,000 (30 June 2010: \$195,000 profit).

## Directors

The following persons held office as Directors of Hudson Resources Limited at anytime during or since the end of the financial half year:

Peter J Meers	Chairman / Chief Executive Officer
Nicholas Raffan	Non-Executive Director (appointed 19 August 2011)
Tan Sri Ibrahim Menudin	Non-Executive Director
Ken Boundy	Non-Executive Director
Kit Foo Chye	Non-Executive Director

All Directors have been in office since the start of the financial year, to the date of this report, unless otherwise stated.

### Information on directors

#### Peter J Meers BA (Economics) FAIB

Chairman / Chief Executive Officer

Appointed a Director on 2 August 2005.

#### *Experience and Expertise*

Mr Meers has broad business experience across a range of industries including 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*

Chief Executive Officer of Tiara Coal Limited, Non-Executive Chairman of Australian Bauxite Limited, Non-Executive Director of Hudson Investment Group Limited and Non-Executive Director of Sovereign Gold Company Limited.

#### *Former Directorships in Last 3 years*

None

#### *Special Responsibilities*

Chairman of the Board and Chief Executive Officer, Member of the Audit Committee.

## Directors' Report (continued)

### **Tan Sri Ibrahim Menudin, B.Com, FCA**

Non-Executive Director

Appointed a Director on 6 June 2007.

#### *Experience and Expertise*

Tan Sri Ibrahim Menudin, a Malaysian citizen, is a Director and Chairman of Suria Capital Holdings Berhad ("Suria Capital"). Suria Capital is 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.

He was previously appointed a board member of Malaysian Mining Corporation Berhad and Group Chief Executive from 1986 until 2001 and was also a board member of Ashton Mining Limited and Plutonic Resources Limited.

#### *Other Current Directorships*

Non-Executive Chairman of Tiaro Coal Limited and Chairman, Hudson MPA Sdn Bhd.

#### *Former Directorships in Last 3 Years*

None

#### *Special Responsibilities*

Member of the Remuneration Committee, Member of the Audit Committee

### **Ken Boundy, MBA, M Agr Sc, Fellow of AIM, AIAST**

Non-Executive Director

Appointed a Director 29 January 2010.

#### *Experience and Expertise*

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.

#### *Other Current Directorships*

Chairman of Regnan Governance Research and Engagement; Chairman of Hydrasyst; Non-Executive Director of Tarkine Wilderness Pty Ltd and Non-Executive Director of Horticulture Australia Limited.

#### *Former Directorships in Last 3 Years*

Chairman of Acelero Pty Ltd, Non-Executive Director of Dexion Limited, Non-Executive Director Australian Wool Innovation.

#### *Special Responsibilities*

Member of the Remuneration Committee (appointed 22 September 2010), Member of the Audit Committee (appointed 22 September, 2010).

### **Kit Foo Chye,**

Non-Executive Director - Appointed a Director on 10 March 2010.

#### *Experience and Expertise*

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; Voltage IP Limited and Allmine Group Limited. He is also Managing Director of Zheng He Global Capital Limited.

#### *Former Directorships in Last 3 Years*

Director of Synergy Metals Limited

#### *Special Responsibilities*

None

## Directors' Report (continued)

### Nicholas Raffan BA; Diploma in Geoscience

Non-Executive Director appointed 19 August 2011.

#### *Experience and Expertise*

Nicholas Raffan is author of the Raff Report and a highly sought after resources analyst and market commentator. He is a resource equities and business cycle specialist with extensive experience in both stock broking and funds management.

He has over 30 years experience as a geologist, finance professional and mineral economist. For over 20 years he has worked within financial markets split between stock broking and portfolio management.

His previous roles include Co-Portfolio Manager of the NY listed Scudder Gold Fund, Senior Mining Analyst and Vice President for the Zurich Scudder Group, and Economist for Minerals and Energy, Westpac Banking Corporation. Nicholas started his professional career at Kennecott Explorations Australia in the 1970s.

Mr Raffan is not an independent Director.

#### *Other Current Directorships*

Executive Director of Sovereign Gold Company Limited

#### *Former directorships in the last three years of listed companies*

None

#### *Special Responsibilities*

None

## Officers

### Joint Company Secretary – David L Hughes

Mr Hughes was appointed to the position of Company Secretary on 20 September 2000. Before joining the Company, he had 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 and Hudson Investment Group Limited and Joint Company Secretary of Empire Energy Group Limited, Tiara Coal Limited, Australian Bauxite Limited, Raffles Capital Limited and Sovereign Gold Company Limited.

### Joint Company Secretary – Julian Rockett B. Arts, LL.B, GDLP

Mr Rockett was appointed to the position of Joint Company Secretary on 15 June 2011. He is also Joint Company Secretary of Tiara Coal 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 Limited and provides in-house legal support to listed and non-listed corporate entities.

### Chief Financial Officer – Francis Choy, MComm MBA FCPA(HK) FCPA

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.

## Leading Consultants

### Jacob Rebek

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.

Mr Rebek is Executive Director of Australian Bauxite Limited, Non-Executive Director of Tiara Coal Limited and Sovereign Gold Company Limited.

## 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.

## Directors' Report (continued)

### Events Subsequent To Balance Date

At the date of this report there are no matters or circumstances which have arisen since 30 June 2011 that have significantly affected or may significantly affect:

- the operations, in the financial half year subsequent to 30 June 2011, of the consolidated entity;
- the results of those operations; or
- the state of affairs, in the financial half year subsequent to 30 June 2011, of the consolidated entity.

### Auditors' Independence Declaration

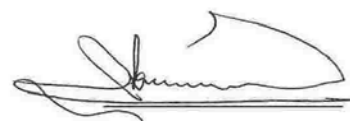
We have obtained an independence declaration from our auditors, K. S. Black & Company which appears on page 14 of this report.

Signed in accordance with a resolution of the Directors:



Peter J Meers  
**Director/Chief Executive Officer**

Sydney  
29 August 2011



Tan Sri Ibrahim Menudin  
**Director**

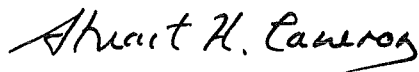
**AUDITORS INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of Hudson Resources Limited

In connection with the review of Hudson Resources Limited for the period ended 30 June 2011, 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 audit; and
- (ii) No contravention of any applicable code of professional conduct in relation to the audit.

KS Black & Co  
Chartered Accountants



Stuart Cameron  
Partner

Sydney; 29/8/11



## 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 consolidated statement of financial position as at 30 June 2011, 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 consolidated entity comprising the company and the entities it controlled at the half year's end or from time to time during the half year.

### 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 Interim and Other Financial Reports 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 consolidated entity's financial position as at 30 June 2011, 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

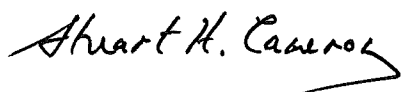
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

**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 2011, 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



Stuart Cameron  
Partner

Sydney: 27/8/11

## Declaration by Directors

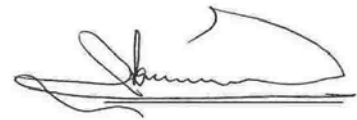
The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 18 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 2011 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  
**Director/Chief Executive Officer**



Tan Sri Ibrahim Menudin  
**Director**

Sydney  
29 August 2011

## Statement of Comprehensive Income

For the half-year ended 30 June 2011

		<b>Consolidated</b>	
	<b>Note</b>	<b>30-Jun-11 \$'000</b>	<b>31-Dec-10 \$'000</b>
<b>Revenue</b>	2	541	527
Operating and exploration expenses		(1,122)	(274)
<b>Gross Profit</b>		<b>(581)</b>	253
Other income	2	1,504	921
Administration expenses		(2,064)	(1,414)
Finance expenses	2	(184)	(107)
<b>PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE</b>		<b>(1,325)</b>	(347)
Income tax (expense)/credit		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>(1,325)</b>	(347)
Other Comprehensive Income		-	-
Other comprehensive income before income tax		-	-
Income tax expenses		-	-
Other comprehensive income for the period		-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>(1,325)</b>	(347)
Comprehensive income attributable to outside equity interest		953	542
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE PARENT</b>		<b>(372)</b>	195
<b>EARNINGS/(LOSS) PER SHARE</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share		(0.31)	0.18
Diluted earnings/(loss) per share		(0.31)	0.18
<b>CONTINUING OPERATIONS</b>			
Basic earnings/(loss) per share		(0.31)	0.18
Diluted earnings/(loss) per share		(0.31)	0.18

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 2011

		Consolidated	
	Notes	30-Jun-11 \$'000	31-Dec-10 \$'000
<b>Current assets</b>			
Cash and cash equivalents	3	12,233	15,512
Trade and other receivables		1,551	908
Inventories		319	566
Other current assets		101	148
<b>Total current assets</b>		<b>14,204</b>	<b>17,134</b>
<b>Non-current assets</b>			
Trade and other receivables		2,041	2,774
Financial Assets		1,569	1,569
Mining tenements and interests		6,746	5,570
Capitalised exploration cost		8,916	5,760
Plant and equipment		170	106
Investment property		3,031	3,058
<b>Total non-current assets</b>		<b>22,473</b>	<b>18,837</b>
<b>Total assets</b>		<b>36,677</b>	<b>35,971</b>
<b>Current liabilities</b>			
Trade and other payables		658	729
Employee benefits provision		54	26
<b>Total current liabilities</b>		<b>712</b>	<b>755</b>
<b>Non-current liabilities</b>			
Financial liabilities		1,860	1,860
Provisions		209	197
<b>Total non-current liabilities</b>		<b>2,069</b>	<b>2,057</b>
<b>Total liabilities</b>		<b>2,781</b>	<b>2,812</b>
<b>Net assets</b>		<b>33,896</b>	<b>33,159</b>
<b>Equity</b>			
Issued capital	4	26,925	26,925
Reserves		18,821	17,917
Accumulated losses		(26,375)	(26,003)
<b>Total equity attributable to equity holders of parent entity</b>		<b>19,371</b>	<b>18,839</b>
Minority interest		14,525	14,320
<b>Total Equity</b>		<b>33,896</b>	<b>33,159</b>

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

# Hudson Resources Limited and Controlled Entities

ABN 71 008 720 965

## Consolidated Statement of Changes in Equity For the half-year ended 30 June 2011

Consolidated	Notes	Issued Capital \$'000	Capital Profits Reserve \$'000	Minority Interest \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>At 31 December 2009</b>		24,700	11,130	4,949	(25,187)	15,592
Shares issued		450	-	-	-	450
Movement		-	1,700	2,544	-	4,244
Profit for the period		-	-	-	195	195
<b>At 30 June 2010</b>		<b>25,150</b>	<b>12,830</b>	<b>7,493</b>	<b>(24,992)</b>	<b>20,481</b>
<b>At 30 June 2010</b>		25,150	12,830	7,493	(24,992)	20,481
Shares issued		1,775	-	-	-	1,775
Movement		-	5,087	6,827	-	11,914
Loss for the period		-	-	-	(1,011)	(1,011)
<b>At 31 December 2010</b>		<b>26,925</b>	<b>17,917</b>	<b>14,320</b>	<b>(26,003)</b>	<b>33,159</b>
<b>At 31 December 2010</b>		26,925	17,917	14,320	(26,003)	33,159
Movement		-	904	205	-	1,109
Loss for the period		-	-	-	(372)	(372)
<b>At 30 June 2011</b>	4	<b>26,925</b>	<b>18,821</b>	<b>14,525</b>	<b>(26,375)</b>	<b>33,896</b>

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

## Consolidated Statement of Cash Flow

For the half-year ended 30 June 2011

	Note	30-Jun-11 \$'000	Consolidated 30-Jun-10 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		497	461
Payments to suppliers, employees and exploration expenses		(4,998)	(3,448)
Interest paid		(67)	(73)
Interest received		453	220
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(4,115)</b>	<b>(2,840)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of mining tenements		(3,070)	(601)
Payments for property, plant and equipment		(79)	(51)
Proceeds from sale of investments		1,744	(350)
Advance to other parties		(720)	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(2,125)</b>	<b>(1,002)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share placement, net of cost		-	5,235
Net proceeds from share placement - subsidiary		2,016	-
Repayment received		945	185
Proceeds from borrowings		-	210
Share of issued fund in transit received		-	1,634
<b>Net cash inflow/(outflow) from financing activities</b>		<b>2,961</b>	<b>7,264</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(3,279)</b>	<b>3,422</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>15,512</b>	<b>4,759</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>	<b>3</b>	<b>12,233</b>	<b>8,181</b>

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 2011

#### 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 2011 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 2010 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, 2010.

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 2010.

##### 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**  
**For the Half-Year Ended 30 June 2011 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:

	<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>30-Jun-10</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(i) Revenue</b>		
Sale of goods and rental	<b>541</b>	<b>527</b>
<b>(ii) Other Income</b>		
Change in fair value of investment property	-	692
Profit on disposal of Investment	<b>982</b>	8
Interest Income	<b>518</b>	221
Others	<b>4</b>	-
	<b>1,504</b>	<b>921</b>
<b>(iii) Financial and other Expenses</b>		
Depreciation and amortisation	<b>(42)</b>	(27)
Interest paid	<b>(67)</b>	(73)
Option Costs	<b>(46)</b>	
Other	<b>(29)</b>	(7)
	<b>(184)</b>	<b>(107)</b>

**3. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	<b>11,822</b>	15,133
Cash held in trust	<b>411</b>	379
	<b>12,233</b>	<b>15,512</b>

**4. Issued Capital**

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>31-Dec-10</b>	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>Shares</b>	<b>Shares</b>		
	<b>'000</b>	<b>'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Ordinary shares</b>				
Issued and fully paid	<b>118,386</b>	118,386	<b>26,925</b>	26,925
<b>Movements during the period</b>				
Balance at beginning of the period	<b>118,386</b>	105,886	<b>26,925</b>	24,700
Exercise Options - executive share option plan	-	5,000	-	450
Exercise Options - executive share option plan	-	2,500	-	375
Share Placement	-	5,000	-	1,400
Balance at the end of the period	<b>118,386</b>	118,386	<b>26,925</b>	26,925

## Notes to the Financial Statements

### For the Half-Year Ended 30 June 2011 continued

#### 5. Share Based Payments

The consolidated entity established a share option programme that entitles key management personnel and senior employees to purchase shares in the entity. The terms and conditions of the share option programme are disclosed in the consolidated financial report as at and for the year ended 31 December 2010.

The number and weighted average exercise price of executive ownership plan share is as follows:

	Number of Options Consolidated		Number of Options Parent Entity	
	2011	2010	2011	2010
Vested and exercisable at beginning of year	-	5,000,000	-	5,000,000
Share options granted during the period	-	-	-	-
Exercised during the period	-	(5,000,000)	-	(5,000,000)
Vested and exercisable at end of period	-	-	-	-

	Number of Options Consolidated		Number of Options Parent Entity	
	2011	2010	2011	2010
Share options granted	-	-	-	-
Expense recognized as costs	-	-	-	-
Fair value per option at grant date	-	-	-	-

#### 6. Interest in Joint Venture

Tiara Energy Corporation Pty Limited holds 81.58% (2010: 63.85%) in Tiara Joint Venture Coal Projects (unincorporated joint ventures).

The subsidiary has entered into the joint venture to develop a substantial new metallurgical coal resources in the Tiara coal measures located in south east 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 under the following classifications.

	% Ownership Interest	
	Current Period %	Previous Corresponding Period %
<b>Tiara Coal Joint Venture</b>	<b>81.58</b>	<b>63.85</b>

Aggregate Share of Assets, Liabilities and Profits/(Losses) of Joint Venture Entities		
	Current Period \$'000	Previous Corresponding Period \$'000
Group's Share of proportionately consolidated Joint Venture Entities		
Current assets	942	46
Long term assets	-	-
Current liabilities	30	99
Long term liabilities	-	-
Revenue	-	1
Other Income	-	-
Expenses	(288)	(511)
Share of net profit/(loss) of joint venture entities	(288)	(510)

**Notes to the Financial Statements**  
**For the Half-Year Ended 30 June 2011 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.

**8. Contingent Liabilities and Assets**

Tiaro is a participant in the TCJV 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.

	<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantees granted in respect of Mining Bonds	<b>189</b>	<b>189</b>

**9. Commitments**

There are no material commitments as at the date of the report other than:

	<b>Consolidated</b>	
	<b>30-Jun-11</b>	<b>31-Dec-10</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Exploration expenditure commitments</b>		
Tenement exploration expenditure per annum	<b>4,182</b>	<b>3,612</b>
Tenement lease payment per annum	<b>292</b>	<b>197</b>
	<b>4,474</b>	<b>3,809</b>
<b>Remuneration expenditure commitments</b>		
Salary and other remuneration commitments under long-term employment contracts existing at reporting date not recognised as liabilities		
Within one year	<b>300</b>	<b>400</b>
Later than one year but not later than 5 years	<b>300</b>	<b>300</b>
Later than 5 years	<b>-</b>	<b>-</b>
	<b>600</b>	<b>700</b>

**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 2011 that have significantly affected or may significantly affect:

- the operations, the financial half year subsequent to 30 June 2011, of the Group;
- the results of those operations; or
- the state of affairs, the financial half year subsequent to 30 June 2011, of the Group.

**Supplementary Appendix 4D Information****NTA Backing**

	30-Jun-2011	31-Dec-2010
Net tangible asset backing per ordinary share	20.47 cents	18.44 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 auditors review report is included in the financial statements.