HUDSON RESOURCES INC

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Management Discussion and Analysis

(Form 51-102F1)

For the Three Months Ended June 30, 2017

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Hudson Resources Inc. ("Hudson" or the "Company") during the three months ended June 30, 2017 ("Q1 2018") and to the date of this report. The MD&A supplements, but does not form part of, the unaudited condensed consolidated interim financial statements of the Company and the notes thereto for the three months ended June 30, 2017 (the "Financials"). Consequently, the following discussion of performance and financial condition should be read in conjunction with the Financials. The Financials have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Hudson is available on SEDAR at www.sedar.com and on the Company's website at www.hudsonresources.ca.

This MD&A contains information up to and including August 29, 2017.

FORWARD-LOOKING INFORMATION

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 12 of this MD&A.

OUTLOOK

The White Mountain Anorthosite (calcium feldspar) Project in Western Greenland is the primary focus for the Company. The Company is advancing the project towards production by mid-2018. The anorthosite product has three major markets: a feed material for E-glass fiberglass production, a filler material in the production of paints and coatings, and a source of alumina and other valuable by-products for the aluminum industry.

OVERALL PERFORMANCE

Highlights of Q1 2018 and as of the Date of this Report

During Q1 2018 and to the date of this MD&A, the following highlights the Company's significant events:

Financing Activities

- Announced that Cordiant Capital had committed and closed on both the Senior Loan and Subordinated Loan for total proceeds of US$22.5 million; and
- Announced US$9.5 million drawdown of subordinated debt financing after satisfying the conditions of its loan financings.

Exploration & Development Activities

- Completed civil works for the process plant, warehouse and camp areas; and
- Initiated construction of concrete foundations.

GENERAL

As at June 30, 2017, the Company was a junior mineral exploration company listed on the TSX Venture Exchange, engaged in the acquisition, exploration and development of mineral properties. Subsequent to June 30, 2017, the Company entered the development phase of its Naajat (White Mountain) Mineral Claim. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing; however, in the event this does not occur, there is doubt about the ability of the Company to continue as a going concern. The financial statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for Q1 2018 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

During Q1 2018, the Company received $4,000,000 on the issuance of 8,000,000 units under a private placement; this amount was recorded as a share subscriptions receivable at March 31, 2017. In addition, the Company obtained preliminary approval from the Management Committee of the European Investment Bank and Cordiant Capital Inc. for debt financing of up to US$13M and US$9.5M, respectively, through its 100% owned Greenland subsidiary, Hudson Greenland A/S. Subsequent to the quarter end, Hudson closed on the debt financing. In order to complete the financing in time to continue the development program at White Mountain, Cordiant Capital completed on the Senior Loan as well as the Subordinated Loan. The plan is to have the EIB assume the Senior Loan at a later date.

As of the date of this MD&A, the Company holds cash and cash equivalents of approximately $6.5 million, of which $1.3 million has been set aside as a reclamation bond and $1.3 million in a debt service ratio account as part of the loan financing agreement. Management believes it is sufficient to maintain the operations for the next twelve months. Total cash outflow in respect of operating and investing activities for Q1 2018 was $2,098,712 and $6,230,834, respectively.

The amount of the Company's administrative expenditures is related to the level of financing and development activities that are being conducted, which in turn may depend on the Company's ability to complete the construction of the anorthosite project within budget and on time and, also, on recent other exploration activities and prospects, as well as the general market conditions relating to the availability of funding for exploration and development stage resource companies. Consequently, the Company does not acquire properties or conduct exploration work on them on a pre-determined basis and, as a result, there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

PROJECT UPDATE

Since the previous update provided in the Company's MD&A report dated July 13, 2017 in respect of the Company's financial statements for the year ended March 31, 2017, Hudson has commenced development of the White Mountain anorthosite project (the "Project").

Since July 13, 2017, Hudson has completed major civil works at the port and process plant area, initiated concrete foundation construction and procured all major project components.

In June 2017, Hudson announced an update on engineering and construction activities at the Project in western Greenland. With respect to civil works, RTS Greenland A/S, has completed the drill and blast operations to prepare the foundations for the process plant, product storage building and ancillary infrastructure. Civil works will continue through to the fall to support the project infrastructure and concrete construction. Concrete foundation work has commenced with the hiring of Scott Concrete Services Inc. The barge, which will serve as the wharf, is expected to leave Canada on about September 15 with the warehouse, process plant and other major components.

The Company also holds a 100% interest in the Sarfartoq Rare Earth Project. Further development of the Sarfartoq Project is dependent upon the improvement in world market prices for rare earths. In December 2015, the Greenland government granted an exploration holiday of two years to the Sarfartoq Exploration License, which hosts the rare-earth project. As a result, Hudson will be able to carry accrued work commitments beyond the current December 2017 license renewal date.

Qualifications

Dr. Michael Druecker is a qualified person as defined by NI 43-101 and reviewed the preparation of the scientific and technical information in this MD&A disclosure.

RESULTS FROM OPERATIONS

Selected Information

	For the three months ended		
	June 30, 2017	June 30, 2016	June 30, 2015
Interest and miscellaneous income	$ 15,734	$ 3,278	$ 12,966
Net loss	(3,414,190)	743,787	(428,898)
Basic and diluted loss per share	$ (0.03)	$ (0.01)	$ -

As at:	June 30, 2017	March 31, 2017	March 31, 2016
Balance Sheet Data			
Cash and cash equivalents	$ 2,063,474	$ 6,382,573	$ 1,476,790
Resource properties	988,351	988,351	947,678
Total assets	$ 17,324,673	$ 17,798,894	$ 4,648,476

Three months ended June 30, 2017 ("Q1 2018") compared with three months ended June 30, 2016 ("Q1 2017")

The Company incurred a net loss of $3,414,190 for Q1 2018 representing an increase of $2,670,403 when compared with a net loss of $743,787 for Q1 2017.

Evaluation and exploration costs increased by $2,694,163 to $2,866,286 for Q1 2018 from $172,123 for Q1 2017. The increase is primarily the result of the increase in exploration activities on the White Mountain project in Q1 2018 compared to Q1 2017. During Q1 2018, the evaluation and exploration costs incurred on the White Mountain project increased by $2,701,177, to $2,865,502 from $164,325 for Q1 2017. The increase in evaluation and exploration costs on the White Mountain project is primarily the result of the increase of the following expenditures:

- Project management increased by $948,150;
- Engineering increased by $459,961;
- Shipping increased by $313,722;
- Administrative increased by $209,845;
- Travel increased by 204,630; and
- Fuel increased by $162,784.

Management fees were $340,000 for Q1 2018 compared to $110,000 for Q1 2017. The increase in management fees was due to the bonuses paid to the Company's management during Q1 2018. No such bonuses were paid to management during Q1 2017.

Depreciation expenses increased to $272,833 for Q1 2018 from $89,057 for Q1 2017. The increase is primarily due to the addition of equipment.

The increase in net loss during Q1 2018 compared to Q1 2017 was partially offset by the increase in foreign exchange gain.

Foreign exchange gain increased by $287,705 to $285,912 for Q1 2018, from a foreign exchange loss of $1,793 for Q1 2017 mainly due to the fluctuations in the exchange rates between the Canadian dollar, United States dollar, Danish Krone and Euro.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Interest income	$ 15,734	$ 5,126	$ 1,220	$ 1,585
Net loss	(3,414,190)	(2,981,666)	(851,185)	(1,068,873)
Basic and diluted loss per share	$ (0.03)	$ (0.03)	$ (0.01)	$ (0.01)

	Three months ended			
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Interest income	$ 3,278	$ 3,171	$ 5,787	$ 104
Net loss	(743,787)	(483,883)	(1,591,836)	(1,642,834)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.02)

The Company's net losses are mainly due to evaluation and exploration costs, share-based payments and general and administrative costs that vary from quarter to quarter based on planned exploration activities and resource constraints. Net losses in the last eight quarters were relatively consistent except for the quarters ended September 30, 2015, December 31, 2015, March 31, 2017 and June 30, 2017. The net loss increased during the quarters ended September 30, 2015 and December 31, 2015 mainly due to the pre-construction activities at White Mountain and an increase in the number of options vesting and a corresponding increase in recognition of expense during the period. The net loss increased during the quarter ended March 31, 2017 mainly due to the recognition of the reclamation obligation of the resource properties. The net loss increased during the quarter ended June 30, 2017 mainly due to the increase in exploration and evaluation costs.

The Company prepared the financial statements for the periods indicated above in accordance with International Financial Reporting Standards ("IFRS").

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital was $1,185,675 as of June 30, 2017, which included a note payable of $1,200,594. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital.

On July 17, 2017, the Company completed the debt funding arrangement with the Management Committee of the European Investment Bank for debt financing of up to US$13 million and Cordiant Capital Inc. for debt financing of up to US$9.5 million ("Subordinated Loan") for Hudson's White Mountain Anorthosite Project in Greenland through its 100% owned Greenland subsidiary, Hudson Greenland A/S. On August 1, 2017, the Company drew down the Subordinated Loan for US$9.5 million.

The continued development of the Company's properties over the next 12 months will depend on the Company's ability to complete the construction of the project within budget or obtain additional financing to do so. While the Company has some ability to reduce its budgets and expenditures, which could extend the time before which it would need to raise additional funds, any such actions could have a negative effect on its business. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing exploration properties beyond the anorthosite development project. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in the Greenland exploration licenses overseen by the Government of Greenland, Bureau of Minerals and Petroleum ("BMP"). The Company may, in the future, be unable to meet its obligations under such agreements to which it is a party and consequently, the Company's interest in the properties subject to such agreements could be jeopardized.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) or by obtaining debt financing, in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising the required financing.

The Company's future financial performance is dependent on many external factors. The Company expects that any revenues it may earn from its operations in the future will be from the sale of minerals. Both prices and markets for metals and minerals are cyclical, difficult to predict, volatile, subject to government price fixing and controls and affected by changes in domestic and international, political, social and economic environments. In addition, the availability and cost of funds for exploration, development and production costs are difficult to predict. These changes in events could materially affect the financial performance of the Company.

The Company invests its cash balances in term deposits with Canadian banks.

OUTSTANDING SHARE DATA

As at June 30, 2017 and the date of this MD&A, the Company had 134,604,873 common shares issued and outstanding.

In addition, as of the date of this MD&A, the Company had the following share purchase warrants and stock options outstanding:

- 26,559,053 share purchase warrants outstanding, each of which is exercisable for one common share at prices ranging from $0.50 to $0.75.

- 9,490,000 stock options outstanding, each of which is exercisable for one common share at prices ranging from $0.34 to $0.65.

RELATED PARTY TRANSACTIONS

During Q118 and Q117, respectively, the Company incurred the following expenses for directors and officers of the Company:

	For the three months ended	
	June 30, 2017	**June 30, 2016**
Short-term employee benefits - management fees (1)	**$ 677,500**	$ 110,000
Short-term employee benefits - professional fees (2)	**54,080**	34,320
Short-term employee benefits - directors' fees	**25,000**	25,000
Share-based payments	**-**	86,830
	$ 756,580	$ 256,150

(1) During the three months ended June 30, 2017, the Company incurred $677,500 management fees of which $340,000 and $337,500 were recognized as management fees and project management in exploration and evaluation costs, respectively. During the three months ended June 30, 2016, no management fees were recognized as project management in exploration and evaluation costs.

(2) The Company paid $54,080 (June 30, 2016 – $34,320) for accounting and corporate secretarial services to Quantum Advisory Partners LLP whose incorporated partner is the Company's Chief Financial Officer.

These transactions were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

The balances due to related parties included in accounts payable and accrued liabilities were $682,485 as at June 30, 2017 (March 31, 2017 – $49,128). These amounts are unsecured and non-interest bearing.

COMMITMENTS

The Company currently has two exploration licenses in Greenland, the Sarfartoq EL (2010/40) and the Pingasut EL (2013/01) and one exploitation license, the Naajat EL (2015/39). In 2014, Hudson was granted license renewals on the Naajat and Sarfartoq EL's. Prior to that, in 2012, Hudson was granted two license renewals. The Sarfartoq EL was amended to include portions of the Nalussivik, Sarfartuup Qulaa, Sarfartoq Valley and Arnanganeq exploration licenses as well as annex portions of the Sarfartoq EL and add additional ground that extends the license area to the fjord. The total area was reduced from 1,351 sq. km. to approximately 687 sq. km. As a result of the application, five previous licenses will be incorporated into one new Sarfartoq EL that is focused on the rare-earth project. In 2013, the license area was further reduced to 92 sq. km. This reduced the exploration burden on the area while still maintaining 100% interest in the Sarfartoq Carbonatite Complex. The Naajat EL was renewed in 2013 for its industrial mineral potential for exploration years 11 and 12 and the license area was reduced from 190 sq. km. to approximately 96 sq. km. The Naajat EL includes the White Mountain Anorthosite Project ("White Mountain"). In 2014, Hudson began the process of converting the Naajat exploration license into an exploitation license. This was completed in September 2015.

Resource Properties

<u>Naajat (White Mountain) Mineral Claim (2015/39), Greenland</u>

In September 2015, exploration license 2015/39 was converted to an exploitation license. A fee of 100,000 DDK was paid. Previously, the Company was required to maintain certain work commitments to retain the exploration license. Hudson now has certain non-monetary commitments, including but not limited to employing Greenlandic personnel, based on establishing a mining operation as per the exploitation agreement in order to maintain the license.

<u>Sarfartoq Mineral Claim (2010/40), Greenland</u>

The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. The total work commitment for calendar 2015 was 33,528,000 DKK (approximately $6,156,000). The work commitments for calendar 2015 have been approved by the Greenland government. In 2015, the Company's license was renewed to December 31, 2017. Subsequently, in December 2015, the Greenland government granted Hudson a 2-year exploration commitment holiday. As a result, Hudson will be able to carry accrued work commitments beyond the current December 2017 license renewal date with credits available until December 31, 2019.

<u>Pingasut Mineral Claim (2013/01), Greenland</u>

The Company must submit an annual report by April 1 of each year detailing its' activities and expenditures for approval. This license was granted on August 9, 2013. The Company's license expires December 31, 2018. Total work commitment for calendar 2015 was 390,940 DKK (approximately $72,000). Hudson has accrued sufficient credits from previous expenditures to carry the license beyond December 31, 2015, with credits available until December 31, 2018.

FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents, sales tax receivable, deposits and share subscriptions receivable as loans and receivables and accounts payable and accrued liabilities and note payable as other financial liabilities.

The carrying values of cash and cash equivalents, sales tax receivable, deposits, share subscriptions receivable, accounts payable and accrued liabilities and note payable approximate their fair values due to the relatively short period to maturity of those financial instruments.

The Company's cash and cash equivalents and receivables are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness (Canadian financial institution with funds held secured by provincial government – AAA rated).

The Company manages liquidity risk by maintaining sufficient cash balance to enable settlement of transactions on the due date. Accounts payable and accrued liabilities are current. Included in the loss for the period in the financial statements is interest income on Canadian dollar cash and cash equivalents. As at June 30, 2017, the Company's cash is subject to or exposed to interest rate risk. However, this risk is not significant.

The Company's operations in Canada and Greenland are subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars, United States dollars, EURO and Danish Krone and the fluctuation of the Canadian dollar in relation to the other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

General

The Company is a junior mineral exploration company listed on the TSX Venture Exchange and engaged in the acquisition, exploration and development of mineral properties. It has not yet determined whether its properties other than the anorthosite project which is in development, contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing; however, in the event this does not occur, there is doubt about the ability of the Company to continue as a going concern. The Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the three months ended June 30, 2017 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Trends

The Company's financial success is dependent upon the discovery of properties which could be economically viable to develop. Such development could take years to complete and the resulting income, if any, is difficult to determine. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors and for mining equipment. There is significant and increasing competition for a limited number of rare earth and other resource acquisition opportunities and as a result, the Company may be unable to acquire suitable producing properties or prospects for exploration in the future on terms it considers acceptable. The Company competes with many other companies, the majority of which have substantially greater financial resources than the Company.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Greenland. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with limited environmental impact.

Mineral Exploration and Development

The Company's properties are in the exploration stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results and the subsequent analysis of the technical and financial feasibility of developing such properties. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of a body of commercial rare earths or industrial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to commercially extract the respective ores/ commodities contained therein and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of REE and industrial minerals or interests related thereto. The price of these commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of these commodities, and therefore the economic viability of the Company's operations cannot accurately be predicted and, in almost all cases, are factors which the Company cannot change or influence.

Title

Although the Company believes that it has taken all reasonable legal and other actions to ensure that it has good title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by:

i. government regulations relating to such matters as environmental protection, health, safety and labour;
ii. mining law reform;
iii. restrictions on production, price controls, and tax increases;
iv. maintenance of claims;
v. tenure; and
vi. expropriation of property.

There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess. The Bureau of Mines and Petroleum in Greenland currently restricts the mining of radioactive elements and there is no assurance that the ban will be lifted if the production of REE contains radioactive elements as by products to the primary metals.

Management and Directors

The Company is dependent on a relatively small number of directors: John Hick, Flemming Knudsen, John McConnell, John McDonald, Herbert Wilson and James Tuer; and officers: James Tuer, Jim Cambon and Alnesh Mohan. The loss of any of one of those persons could have an adverse effect on the Company. The Company does not maintain key person insurance on any of its management.

Conflicts of Interest

Certain officers, directors and advisors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History: Losses

As the Company is still in the exploration phase of its development, it has experienced losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at June 30, 2017, the Company's deficit was $59,061,178.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the past 12 months, the Company's share price fluctuated from a high of $0.80 to a low of $0.29. There can be no assurance that continual fluctuations in price will not occur.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company has not completed its evaluation of the effects of adopting these standards on its financial statements.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and resource property expenditures is provided in the Company's unaudited interim financial statements for the three months ended June 30, 2017 which are available on the Company's website at www.hudsonresource.ca or on SEDAR at www.sedar.com.

APPROVAL

The Board of Directors of Hudson Resources Inc. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

FORWARD-LOOKING INFORMATION

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled “Risks and Uncertainties” in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.