HUDSON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(FORM 51-102F1)

FOR THE YEAR ENDED MARCH 31, 2023

Management's Discussion and Analysis – For the Year ended March 31, 2023

This management's discussion and analysis ("MD&A") focuses on significant factors that affected Hudson Resources Inc. ("Hudson" or the "Company") during the year ended March 31, 2023 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 Year ended March 31, 2023. Consequently, the following discussion of performance and financial condition should be read in conjunction with the condensed consolidated interim financial statements, which 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.hudsonresourcesinc.com.

This MD&A contains information up to and including July 31, 2023. The Company's Board of Directors has approved the disclosure contained in this MD&A.

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 17 of this MD&A.

The Company continues to be subject to various market, political and regulatory constraints as a result of the COVID-19 situation and additional business and financial risks that may result therefrom. The duration of the COVID-19 outbreaks and the resultant travel restrictions, social distancing, Government response, actions, business closures and disruptions, can all have an impact on the Company's operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that maybe brought about by the COVID-19 pandemic on global financial markets, share prices and financial liquidity and that may severely limit the financing capital available to the Company.

Fluctuations in currencies and volatile financial markets pose significant challenges in planning, budgeting and carrying out meaningful exploration programs. Further uncertainties arise from the inability of the Company to gauge the duration of the pandemic and other world events. The invasion of the Ukraine by Russia has introduced supply chain issues and energy challenges in Europe and globally, significantly impacting fuel prices in Greenland. The pandemic has put focus on supply chains which may be beneficial in an increase demand for critical metals such as rare earth elements (REE's), niobium-tantalum (Nb-Ta) and aluminum (anorthosite) that the Company has in its portfolio. The rapid conversion to "green" applications including electric vehicles and sustainable energy has greatly increase the demand for critical metals and the desire for secure supply chains.

THE COMPANY

As at March 31, 2023, the Company is a junior exploration company engaged in the acquisition, exploration and development of mineral properties in Greenland. Hudson is listed on the TSX Venture Exchange and has four primary mineral assets and interests in Greenland; 1) the Nukittooq niobium - tantalum ("Nb-Ta") ("Nukittooq Nb-Ta") project, 2) the ST1 rare earth element ("REE") project, both are located on the Company's 100% held Sarfartoq exploration license ("Sarfartoq") 3) the Gronne Bjerg anorthosite project, located approximately 80 km from the capital city of Nuuk, and 4) the Company's 31.1% interest in Lumina Sustainable Materials A/S ("Lumina") that owns the White Mountain anorthosite mine. The 100% owned Gronne Bjerg anorthosite exploration license was awarded in 2021 and the Company exploration activities in October 2022 demonstrated the presence of a high quality anorthosite body and alumina testwork commenced in Q2 2023.

In April 2023, the Company completed a transaction with Neo Performance Materials to sell the Company's Sarfartoq exploration license hosting the ST1 REE project and the Nukittooq niobium-tantalum project for US$3.5M and a 5% future interest.

The Company has a minority interest (31.1%) in Lumina Sustainable Materials A/S ("Lumina"), previously Hudson Greenland A/S which owns the White Mountain anorthosite mine (the "White Mountain" or "Qaqortorsuaq" in Greenlandic) located on its Naajat anorthosite exploitation license. The exploitation license was granted for 30 years with a 20-year extension allowable.

Hudson is focusing on being a leader in the exploration, development, and production of green mineral products and technologies from anorthosite while protecting the environment and respecting the communities where it operates. The Company developed and brought into production the White Mountain anorthosite mine and spent over eight years developing and marketing anorthosite products to support green initiatives. The products that will be made from anorthosite will help reduce global CO_2 levels and create more energy efficient products while producing less waste.

Hudson has developed excellent relationships and support from the communities where it operates and with the Government of Greenland. The Company was instrumental in implementing the Impact Benefit Agreements ("IBA") for Hudson Greenland A/S with respect to the White Mountain mine. The IBA provides financial support to educational and social programs to the communities surrounding the White Mountain mine in Greenland.

HIGHLIGHTS

- On August 22, 2022, Hudson signed a binding agreement with Neo Performance Materials Inc. ("Neo") to sell the Sarfartoq exploration licence ("Sarfartoq") which hosts the ST1 REE deposit and the Nukittooq Niobium-Tantalum project. On April 24, 2023 (see NR2023-01), the Company and Neo announced that approval had been received from the Government of Greenland for the transfer of Sarfartoq and Neo had completed the purchase of Sarfartoq from the Company. Hudson received a payment of US$3.5M and also retains a 5% interest in the special purpose entity ("SPE") established for Sarfartoq. A significant exploration program including diamond drilling commenced at Sarfartoq in June this year by Neo North Star Resources Inc., the Sarfartoq SPE, with the objective of further defining the significant REE assets at the ST1 ore body and additional targets within the 32 km^2 carbonatite complex.

- In September 2021 the Company was awarded an exploration license (MEL 2021-56) over the Gronne Bjerg project area ("Gronne Bjerg") in Greenland which is considered to host large quantities of high purity anorthosite. The Company undertook an initial sampling program on Gronne Bjerg in the second half of 2022 with a focus on analysis for green products including anorthosite for CO_2 free cement and green aluminum. Assay results demonstrated a high-quality aluminum content, low impurities, and excellent continuity over the area sampled (see NR2023-02).

- In June 2023 the Company commenced testwork to produce a green alumina from the Gronne Bjerg anorthosite as a feedstock for the aluminum industry (see NR2023-02). The testwork program, which is expected to take approximately four months, is being carried out at SGS Lakefield in Canada. The alumina produced will allow major aluminum companies to test this as a potential feed as a green, waste free, replacement for bauxite. The Company also announced intentions to commence additional testwork on CO_2 free cement applications from anorthosite. This work is expected to commence in Q4 2023.

- To preserve cashflow at the time, the Company completed in October 2022 the issuance of an aggregate of 3,233,333 common shares of the Company a price of $0.05 per share for $161,667 in settlement of outstanding accounts payable and accrued liabilities for directors' fees owing to former and current directors, as well as an officer of the Company. Additionally, $73,333 in past directors' fees owing were forgiven by two previous directors.

CORPORATE

Sale of Sarfartoq License

On August 22, 2022, the Company announced a binding agreement with Neo Performance Materials ("Neo") for the sale of its Sarfartoq Exploration License ("Agreement"). The key terms of the Agreement provide for the following:

- Initial cash payment of $313,006 (US$250,000) received upon signing of the Agreement, refundable only in the event that the Company fails to take reasonable actions that result in the closing of the Agreement.
- Upon receipt of approval from the Greenland government, the Company will transfer Sarfartoq to a special purpose entity ("SPE") (the "Closing").
- Additional US$3,250,000 upon Closing of the transaction (received in April 2023).
- If within five years from the date of Closing of the transaction (1) the SPE transfers the License, or there is a change in control of the SPE pursuant to an acquisition or merger, the Company will receive 5% of the total consideration received by the SPE in connection with such transfer, or (2) the SPE conducts an initial public offering on a stock exchange ("**IPO**"), then Hudson will receive 5% of the fully diluted equity interests in the SPE immediately prior to the IPO.

The Company and Neo jointly announced the completion of the transaction on April 24, 2023.

Award and Sampling of the Gronne Bjerg Anorthosite License

In September 2021 the Company was awarded the Gronne Bjerg exploration license (MEL 2021-560) in Greenland. The license area hosts significant volumes of anorthosite. It is located on open tidewater and close to the Greenland capital of Nuuk. Initial exploration and evaluation work was conducted in Q4 2022, which demonstrated the potential for Gronne Bjerg to host a large high quality anorthosite body (see NR2023-02). Given these positive results the Company plans to continue exploration and testwork on this project in 2023 with further surface sampling and the collection of up to 10 tonnes of bulk material for continuing aluminum and CO_2 free cement testwork.

PRIMARY MARKETS FOR ANORTHOSITE

Hudson has identified a number of markets for anorthosite but will focus primarily on the following:

- Waste free green alumina
- CO_2 free cement

Green Alumina

Through research and development the Company has conducted a significant amount of laboratory test work) on the production of "waste free green" alumina that would be an environmentally friendly alternative to the current production from alumina using bauxite that generates a by-product waste known as "red mud" and has significant disposal issues. Hudson's alumina product would not only have zero waste but will also have valuable by-products resulting from the production phase. The Company, has commenced alumina production testwork from the Gronne Bjerg anorthosite at SGS Lakefield in Canada. The alumina product is expected to be used for evaluation purposes by potential end users.

CO_2 Free Cement

Through initial R&D at the University of British Columbia's Ceramics and Refractories Research and Testing Laboratory, the Company has demonstrated that a carbon dioxide (CO_2) free white cement can be manufactured from anorthosite obtained which has good heat resistant and strength characteristics. This product has significant environmental benefits to manufactures and developers. The Company is expected to commence further cement testwork on the Gronne Bjerg anorthosite in Q4 2023.

SARFARTOQ RARE EARTH ELEMENT PROJECT

Prices for Rare Earth Elements ("REE's") have increased significantly in the past year led by concerns that China is considering REE export controls and stronger than previously anticipated global demand for offshore wind turbines, electric vehicles ("EV's") and consumer electronics utilizing permanent magnets. China controls approximately 80% of global REE supply affecting many critical materials. Neodymium and Praseodymium (Nd–Pr) Rare Earth Oxide supply/demand fundamentals remain strong.

Recent international announcements on new stimulus plans for offshore windfarms and the rapid transition to electric vehicles by most of the world's top vehicle manufacturers are driving demand and prices. The election of President Joe Biden in the USA is expected to add stimulus to new offshore wind developments and to promote greater EV production and other renewable energy users and products. Consumer demand for EVs is much greater than expected with stronger sales growth due to new models and factory capacity now expected. Manufacturers are due to roll out significant numbers of new EV models particularly in the luxury sector where innovative new designs will create new demand.

EXPLORATION AND DEVELOPMENT PROPERTIES

Gronne Bjerg Mineral Claim (License number 2021/56), Greenland

Hudson has a 100% interest in the Gronne Bjerg exploration license located in southwest Greenland near the capital city of Nuuk. The license was awarded to the Company in September 2021. In Q3 of 2022 the Company conducted initial exploration and evaluation work, with excellent results. The Company plans to continue exploration on this project in 2023 including the collection of up to 10 tonnes of bulk material for ongoing R&D programs for CO_2 free cement and green alumina. Alumina testwork commenced in June 2023 and CO_2 free cement testwork is expected to commence in Q4 of this year.

Exploration and evaluation costs for the year comprised of the following:

Assays and analysis	13,117
Consulting	3,240
Supplies	829
Helicopter	2,664
Total exploration and evaluation costs	19,850

Sarfartoq Mineral Claim (License number 2010/40 and 2020/32), Greenland

Following the sale of the Sarfartoq license to Neo Performance Materials in 2023, Hudson retained a 5% interest in the Sarfartoq REE Project in southwest Greenland.

The Sarfartoq exploration license host the Sarfartoq Carbonatite Complex ("SCC") which is one of the larger carbonatite complexes in the world with approximate dimensions of 13 km by 8 km. It is located near tidewater, adjacent to very good potential hydroelectric power sites, and is approximately 60 km from the White Mountain mine.

The Sarfartoq Rare Earth Element Project

The Company has outlined a 14.1Mt at 1.5% TREO 43-101 compliant inferred resource containing 35 million kilograms of neodymium and praseodymium oxide in the ST1 Zone of the Sarfartoq REE Project. This represents one of the industry's highest ratios of neodymium and praseodymium to TREO in a light rare earth deposit of this type, totaling 25%, based on the inferred resource. In the past year there has been a significant increase in the interest of this asset due to global REE supply chain issues and concerns around Arctic sovereignty. The Company has seen significant interest from the United States State Department and Canadian government and others given the need for a secure supply of strategic minerals.

Hudson drilled over 30,000 meters on the Sarfartoq Carbonatite Complex and conducted extensive metallurgical testwork at Hazen Research and SGS in Canada. The main REE bearing mineral is bastnaesite which is metallurgical less complex and well known for TREO extraction. Previous testwork has demonstrated that recoveries of over 90% are achievable utilizing acid baking and leaching.

The Preliminary Economic Assessment in 2011 outlined a 2,000 tonne per day underground operation producing 6,500 tonnes per annum of rare earth carbonatite concentrate of 42-45% REO. The high-grade rare earth oxides at Sarfartoq are associated with thorium with low to non-existent uranium levels.

The ST1 Zone contains significant amounts of neodymium and praseodymium oxide, which are the two main components in permanent magnets and the fastest growth sector of the rare earths industry. Neodymium is currently trading for approximately US$100/kg with excellent growth forecasts. The in-situ value of the neodymium and praseodymium alone is approximately US$3.3B at current metal prices.

Adamas Intelligence (Investor Intel March, 2021) forecasts an annual neodymium praseodymium shortage of 16,000 tonnes expected by 2030 and expect the market for magnet rare earth oxides to increase five-fold by 2030 from US $2.98B this year to US $15.65 B at the end of the decade."

The Sarfartoq REE project has excellent exploration potential to increase the high-grade tonnage with past drill holes including the following high-grade intercepts at the ST1 Zone:

- 24 meters of 3.5% TREO (SAR10-36)
- 14 meters of 4.8% TREO (SAR11-45)
- 6 meters of 6.05% TREO (SAR12-03)
- 6 meters of 4.91% TREO (SAR12-01)
- 8 meters of 6.5% TREO (SAR12-15)

Along the 32 km strike length of the carbonatite Hudson drilled numerous high-grade holes on other targets including:

ST19 Target

- 60 meters of 2.6% TREO, including 12m of 4.0% (SAR10-22)
- 60 meters of 2.2% TREO, including 14m of 4.9% (SAR10-23)

ST40 Target

- 10.22 m of 1.36 % TREO (SAR09-03) which contained 54% neodymium oxide and praseodymium oxide - one of the industry's highest ratios of Nd and Pr

RESULTS FROM OPERATIONS

Selected Information

	For the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Interest income	$ -	$ -	$ -
Net income (loss)	(500,084)	(5,462,392)	(4,874,119)
Basic and diluted loss per share	$ (0.00)	$ (0.03)	$ (0.03)

As at:	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Balance Sheet Data			
Cash and cash equivalents	$ 100,205	$ 21,018	$ 121,544
Equipment and right of use assets	616	8,183	52,216
Resource properties	14,511	13,626	6,253
Investment in associate	-	-	4,725,709
Total assets	$ 128,185	$ 63,479	$ 4,956,015

Year ended March 31, 2023 ("Q4 YTD 2023") compared with year ended March 31, 2022 ("Q4 YTD 2022")

The Company announced on September 23, 2020, that it had completed a debt restructuring of Lumina which resulted in a disposition of controlling interest and 68.9% of the subsidiary. Upon the cease of control, the subsidiary was deconsolidated and a gain on disposition was recognized on that date and the Company commenced accounting for its interest in Hudson Greenland on an equity basis by recognizing its share of profits and losses of this investment in associate from that date forward. Subsequent to the disposition date, the new management of Lumina determined that it would no longer capitalize the White Mountain project expenditures as development assets given the project's production capability. Accordingly, this change in accounting estimate has resulted in Lumina expensing its project expenditures, and the Company has recognized its share of profits and losses on that basis and made the necessary cumulative adjustments in the fiscal 2021 year reflecting this change from the disposition date onward.

The Company recorded a comprehensive loss of $500,084 for Q4 YTD 2023 compared with a comprehensive loss of $5,462,392 for Q4 YTD 2022.

Depreciation expense was $7,567 for Q4 YTD 2023 compared to $44,033 for Q4 YTD 2022. Much of the depreciation in the prior period related to the lease associated with the right of use asset for which it has expired during the first quarter of the current fiscal year without renewal.

There was no change in director fees at $96,000 in Q4 YTD 2023 from Q4 YTD 2022. These fees have been accrued and payable to the Company's directors, who have agreed to defer payment until the Company's financial situation improves.

Exploration and evaluation costs were $19,850 for Q4 YTD 2023 compared to $36,036 for Q4 YTD 2022. The Company performed some initial exploration and evaluation work on its new exploration license Gronne Bjerg but did not incur significant evaluation and exploration costs in these periods in order to conserve cash,

Total foreign exchange gain was not material in the current and prior periods as there were minimal number of foreign exchange transactions after the deconsolidation of Hudson Greenland.

Interest and financing costs of $21,498 were recorded in Q4 YTD 2023 compared to $15,294 in Q4 YTD 2022. The increase is largely attributed to interest accrued on higher balance of notes payable.

Total office expenses totalled $45,979 for Q4 YTD 2023, compared with $32,890 in Q4 YTD 2022 and was higher due to higher insurance expense recognized in the current period.

Personnel costs was $177,271 for Q4 YTD 2023 compared with $542,539 in Q4 YTD 2022. The amount was significantly lower due to reduction in management salaries.

Professional fees of $85,875 was recorded in Q4 YTD 2023, compared to $73,273 in Q4 YTD 2022. The higher costs in the current period relate to legal costs associated with various corporation transaction discussions including the Neo sales agreement which concluded in August 2022 offset by slightly lower audit fees.

Rent expense was $11,313 in Q4 YTD 2023 as compared to $27,993 in Q4 YTD 2022. The Company's lease on the premise expired during the quarter without renewal.

Share-based payment expenses were $67,842 for Q4 YTD 2023 compared to $118,673 for Q4 YTD 2022. Such expenses are measured based on calculations using the Black-Scholes model and relate to the vesting of stock options over time.

Shareholder and community engagement costs were $12,524 in Q4 YTD 2023 as compared to $8,925 in Q4 YTD 2022.

Transfer agent and filing fees were $28,085 for Q4 YTD 2023, comparable to $24,406 recorded for Q4 YTD 2022. Travel and accommodation expenses for the current period was $9,208 compared to $109 in the prior period which included travel to site for exploration work on the Company's new license.

Share of loss of $nil from equity accounting of Lumina in the current quarter compared to $4,725,709 in the prior period. Project expenditures are no longer capitalized in Lumina's accounts after the deconsolidation of Lumina from the disposition of its controlling interest as at September 22, 2020. The amount of share of loss recognized is limited to the carrying value of Investment in Associates that remained at the beginning of the period which was $nil.

The Company recorded debt forgiveness of $73,333 in the current year on settling outstanding accounts payable and accrued liabilities of past directors' fees owing to former directors of the Company.

There was $9,514 in other income recognized in the current period related to income from sublet of the Company's office premises, compared to $283,334 of other income received primarily from provision of management related services on the White Mountain Project.

Three months ended March 31, 2023 ("Q4 2023") compared with three months ended March 31, 2022 ("Q4 2022")

The Company recorded a comprehensive loss of $127,575 for Q4 2023 compared with a comprehensive loss of $220,193 for Q4 2022.

Depreciation expense was $nil for Q4 2023 compared to $11,008 for Q4 2022. Much of the depreciation in the prior period related to the lease associated with the right of use asset for which it has expired during the quarter without renewal.

There was no change in director fees at $24,000 in Q4 2023 from Q4 2022. These fees have been accrued and payable to the Company's directors, who have agreed to defer payment until the Company's financial situation improves.

Exploration evaluation costs was of $7,895 for Q4 2023 compared to $964 for Q4 2022. The Company continued with some initial exploration and evaluation work on Gronne Bjerg during the current quarter. The Company did not incur significant costs in the prior period in order to conserve cash.

Total foreign exchange gain was not material in the current and prior periods as there were minimal number of foreign exchange transactions.

Interest and financing costs of $3,910 were recorded in Q4 2023 compared to $5,406 in Q4 2022. The current quarter recognized higher interest accrued on its notes payable from additional advances since the prior period.

Total office expenses totalled $13,072 for Q4 2023, and is comparable with $10,224 in Q4 2022.

Personnel costs was $31,653 and was significantly lower than $106,472 in Q4 2022 due to reduction in management salaries.

Professional fees of $33,086 was recorded in Q4 2023 and was slightly lower than the $43,625 incurred in Q4 2022 due to lower audit costs accrued in the quarter.

Rent expense was $188 in Q4 2023 as compared to $7,154 in Q4 2022. The Company's lease on the premise expired during the first quarter without renewal.

Share-based payment expenses were $8,771 for Q4 2023 compared to $14,574 for Q4 2022. Such expenses are measured based on calculations using the Black-Scholes model and relate to the vesting of stock options over time. The Company also issued share purchased options in the current quarter.

Shareholder and community engagement costs were $5,036 in Q4 2023, compared to $nil in Q4 2022.

Transfer agent and filing fees were $8,454 for Q4 2023, comparable to $8,354 recorded for Q4 2022.

Travel and accommodation expenses for the current quarter was $561 compared to $nil in the prior quarter as the Company continued to keep such costs down to conserve cash.

The Company recorded an adjustment the gain on settlement of debt of $10,000 in the current quarter on settling outstanding accounts payable.

SUMMARY OF QUARTERLY RESULTS

	Three months ended			
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Interest and other income	$ -	$ -	$ -	$ -
Net income (loss)	(127,575)	(119,094)	(131,373)	(122,042)
Basic and diluted earnings (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

	Three months ended			
	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Interest and other income	$ -	$ -	$ -	$ -
Net income (loss)	(220,193)	(2,040,362)	(1,737,267)	(1,464,570)
Basic and diluted earnings (loss) per share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)

In the quarters since March 31, 2021, the larger net losses were recorded primarily from the Company's share of loss from its equity accounted investments. As of the quarter ended December 31, 2021, the carrying value of the Company's Investment is Associates was $Nil after having recognized its share of losses in Lumina to date. Losses in the most recent quarters were directly related to level of activities within the Company.

GOING CONCERN

The Company's financial statements for the year ended March 31, 2023, have been prepared in accordance with IFRS requirements that are applicable to a going concern, which contemplates the realization of assets and settlement of liabilities as they come due in the normal course of business.

As at March 31, 2023, the Company had a working capital deficit of approximately $1.1 million. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. The Company also had a deficit of $92.8 million as at March 31, 2023,

With the completion of the sale of the Sarfartoq license to Neo in April, 2023, the Company has since received all remaining sales proceeds of US$3.25 million associated with this transaction and believes it has the cash to fund its operations over the next 12 months.

The Company expects to incur further losses in the development of its business, all of which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to generate future cash flow from its operations and/or obtain additional financing.

LIQUIDITY AND CAPITAL RESOURCES

As noted previously, the Company continues to be in a working capital deficiency position. The Company has no material income from operations and any improvement in working capital results will primarily be from the issuance of share capital or sale of its assets. With the completion of the sale of the Sarfartoq license to Neo subsequent to March 31, 2023, the Company has received the remaining sales proceeds of US$3.25 million and believes it has the cash to fund its operations over the next 12 months.

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 bring the project into commercial production, 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. 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 interest bearing accounts with Canadian banks.

SUBSEQUENT EVENTS

- On April 24, 2023, the Company and Neo jointly announced that approval had been received from the Government of Greenland for the transfer of the Sarfartoq exploration license and Neo has completed the purchase of the License from the Company. The balance of the remaining sales proceeds of US$3.25 million was received concurrently.
- The notes payable, including accrued interest, have been repaid subsequent to March 31, 2023.
- 3,580,000 stock options with an exercise price of $0.47 expired in June without exercise.

OUTSTANDING SHARE DATA

As at March 31, 2023 and as at the date of this MD&A, the Company had 181,642,538 common shares issued and outstanding.

- There were 2,850,000 share purchase warrants outstanding as at March 31, 2023 and as at the date of this MD&A, each of which is exercisable for one common share at $0.45.
- There were 11,950,000 and 8,370,000 stock options outstanding as at March 31, 2023 and as of the date of this MD&A respectively. The current outstanding stock options are exercisable at prices ranging from $0.05 to $0.45.

RELATED PARTY TRANSACTIONS

For the years ended March 31, 2023 and 2022 respectively, the Company incurred the following expenses for directors and officers of the Company:

`	For the year ended			
		March 31, 2023		**March 31, 2022**
Short-term employee benefits - personnel costs	**$**	**198,750**	$	508,333
Short-term employee benefits - directors' fees		**96,000**		96,000
Share-based payments		**66,243**		94,172
	$	**360,993**	$	698,505

The total balance due to related parties included in accounts payable and accrued liabilities was $599,500 for directors' fees and unpaid personnel costs as at March 31, 2023 (2022 – $655,583). These amounts are unsecured and non-interest bearing. The notes payable balance due to the members of the Company's board of directors was $222,725 as at March 31, 2023 (2022 - $131,354).

In October 2022, the Company issued an aggregate of 3,233,333 common shares of the Company at a price of $0.05 per share for a total of $161,667 in settlement of outstanding accounts payable and accrued liabilities for personnel costs owed to an officer, and directors' fees owed to former and current directors of the Company. Additionally, $73,333 in past directors' fees owing were forgiven by two previous directors.

From October 2021 to July 2022, the Company received unsecured advances totaling $195,000 from members of its Board of Directors for working capital purposes. The advances are in the form of promissory notes and are for a term of three months and bears interest at 12% per annum. The balance outstanding on these notes, including accrued interest, was $222,725 as at March 31, 2023. These advances are also in the form of promissory notes and are for a term of three months and bear interest at 12% per annum. The advances were repaid with accrued interest subsequent to the year-end.

COMMITMENTS

The Gronne Bjerg license has certain minimum work commitment expenditures amounting to DKK 200,000 (approximately $39,000) for the 2023 calendar year.

The Company's lease on its office premises expired during the current period and was not renewed. There are no further payment commitments on this lease.

CLAIMS

The Company is the plaintiff in a lawsuit against Zurich Insurance Company Ltd. regarding a claim resulting from the contamination of a shipment of anorthosite on the M/V Happy Dragon vessel in September 2019. Hudson Resources Inc. was the policy holder of the marine cargo insurance at the time of the claim, and as such, is the plaintiff in the suit filed with the Supreme Court of British Columbia. The outcome of the lawsuit cannot yet be determined, but it is expected that the lawsuit will be settled through mediation.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in note 15 of the Company's financial statements for the year ended March 31, 2023. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended March 31, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

As at March 31, 2023 and the date of this report, the Company had no disclosable proposed transaction except as disclosed. It is the Company's policy not to disclose transactions until they are fully executed.

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 exploration company with a minority interest in a pre-commercial production stage project in Greenland. The Company is listed on the TSX Venture Exchange and is engaged in the acquisition, exploration, development and mining of mineral properties. The recoverability of the amounts shown for resource assets is dependent upon 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 Year ended March 31, 2023 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 pre-development activities that are being conducted, which in turn may depend on the Company's recent experience and prospects, as well as the general market conditions relating to the availability of funding for development-stage resource companies. Consequently, the Company does not acquire properties or conduct work programs 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 successful discovery of properties which could be economically viable to develop and sales of its mining products. 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 are no assurances 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 caused by previous or existing owners or operators of the properties 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 exploitation with limited environmental impact.

Mineral Exploration and Development

As at March 31, 2023, the Company has minority interest in the White Mountain production stage project that is fully permitted and constructed. Development of the Company's exploration 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, niobium 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 and development involve 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 industrial minerals or interests related thereto. The price of comparative commodities has fluctuated 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 and management: Kevin Crawford, Donna Phillips, Antony Harwood, David Frattaroli, James Cambon, and Samuel Yik. 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 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 March 31, 2023, the Company's deficit was $92.8 million.

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 $0.08 to a low of $0.03. There can be no assurance that continual fluctuations in share price will not recur.

Additional Capital

Mining, processing, development and exploration may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

Currency Fluctuations

The Company presently maintains its corporate bank accounts in Canadian dollars. The Company's operations in Greenland and its continued exploration and development expenditures in Greenland are denominated in DKK, US dollars and Canadian dollars, making it subject to foreign currency fluctuations. Such fluctuations are out of the Company's control and may materially adversely affect the Company's financial position and results.

COVID-19

Since March 2020, several measures have been implemented in Canada, Greenland, and the rest of the world in response to the increased impact from COVID-19. The Company continues to operate its business and move its exploration activity forward at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position, and cash flows in 2023.

CRITICAL JUDGEMENTS AND ESTIMATES

JUDGEMENTS

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

Deferred tax assets

Management is required to make estimations regarding the tax basis of assets and liabilities and related deferred income tax assets and liabilities, the measurement of income tax expense, and indirect taxes. A number of these estimates require management to make estimates of future taxable profit and, if actual results are significantly different than estimates, the ability to realize the deferred tax assets recorded on the statement of financial position could be impacted. The Company is subject to assessments by tax authorities who may interpret tax law differently. These factors may affect the final amount or the timing of tax payments.

Determination of functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of Hudson is the Canadian dollar as this is the currency of the primary economic environments in which the entities operate.

Going concern determination

The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances.

ESTIMATES

Since a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our financial statements include, but are not limited to, the following:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock options, volatility and dividend yield and making assumptions about them.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

New accounting standards not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after April 1, 2023. The Company does not anticipate such updates will be applicable or have significant impacts on the Company's results of operations or financial position.

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 condensed consolidated interim financial statements For the Year ended March 31, 2023 which are available on the Company's website at www.hudsonresourcesinc.com or on SEDAR at www.sedar.com.

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.