FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1. NAME AND ADDRESS OF COMPANY

Hudson Resources Inc. (the "**Company**")
420 – 1639 2nd Avenue W.
Vancouver, British Columbia, V6J 1H3

ITEM 2. DATE OF MATERIAL CHANGE

December 17, 2019

ITEM 3. NEWS RELEASE

Issued on December 18, 2019 and distributed through the facilities of Globe Newswire. The news release was filed on SEDAR on December 19, 2019.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced that it had entered into definitive agreements with its lenders, Cordiant Capital Inc. and its affiliates ("**Cordiant**"), and Romeo Fund – Flexi and its affiliates ("**Romeo**"), with respect to an additional US$10 million six month bridge loan facility designed to facilitate (a) completion of deliveries to lead customers and (b) completion of its strategic process announced earlier in 2019 (the "**Additional Loan**").

ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE

The Company announced that it had entered into definitive agreements with Cordiant and Romeo with respect to the Additional Loan.

The loan agreements provide for an immediate Additional Loan, of which the Company intends to draw down US$6 million immediately. The Additional Loan facility will be provided by Cordiant and Romeo on a 50:50 basis. The additional funds bear interest at 20% per annum and mature on June 16, 2020. In connection with the Additional Loan, the Company has issued a total of 29,400,000 share purchase warrants to the lenders, each warrant entitling the holder to purchase one additional share in the capital of the Company until December 16, 2020, at an exercise price of $0.325 per share. The securities issued, including any shares issued upon exercise of the warrants, are subject to a 4 month hold period.

Subject to approval of the TSX Venture Exchange, the principal and interest on the Additional Loan may, in the event of certain change of control transactions, be converted into common shares of the Company at the election of the lenders, with pricing based on the market price of the Company's shares at the time of such conversion.

The Company expects the net proceeds of the debt financing will be used in support of the logistical costs associated with the Company’s fulfilment of its first customer purchase order, repayment of temporary loans from the existing lenders (US$0.5

million), replenishment of restricted cash reserves under the existing loan facility (US$1.8 million), working capital and general corporate purposes.

ITEM 5.2 DISCLOSURE FOR RESTRUCTING TRANSACTION

Not applicable.

ITEM 6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

ITEM 7. OMITTED INFORMATION

Not applicable.

ITEM 8. EXECUTIVE OFFICER

Contact: Jim Cambon
Telephone: 604-628-5002

ITEM 9. DATE OF REPORT

December 23, 2019.