

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1. NAME AND ADDRESS OF COMPANY**

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

**ITEM 2. DATE OF MATERIAL CHANGE**

September 22, 2020

**ITEM 3. NEWS RELEASE**

Issued on September 23, 2020 and distributed through the facilities of Globe Newswire. The news release was filed on SEDAR on September 23, 2020.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that it has closed its debt restructuring transaction with its existing lenders, Cordiant Capital Inc. and its affiliates, and Romeo Fund – Flexi and its affiliates after receiving shareholder approval and approval from the Government of Greenland.

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

Please see attached news release.

**ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTION**

Not applicable.

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

This report is not being filed on a confidential basis.

**ITEM 7. OMITTED INFORMATION**

There are no significant facts required to be disclosed herein which have been omitted.

**ITEM 8. EXECUTIVE OFFICER**

Contact: Jim Cambon, President and Director  
Telephone: 604-628-5002

**ITEM 9. DATE OF REPORT**

October 1, 2020.

**FOR IMMEDIATE RELEASE**

September 23, 2020

TSX-V: HUD

OTC: HUDRF

NR2020-10

**HUDSON RESOURCES CLOSSES DEBT RESTRUCTURING AND CAPITAL  
INJECTION TRANSACTION AND RECOMMENCES OPERATIONS AT WHITE  
MOUNTAIN MINE IN GREENLAND**

Vancouver, BC – HUDSON RESOURCES INC. (“**Hudson**” or the “**Company**”) (TSX Venture Exchange “HUD”; OTC “HUDRF”) is pleased to announce that, further to its news releases of June 11, 2020 and August 4, 2020, the Company has closed its debt restructuring transaction (the “**Transaction**”) with its existing lenders, Cordiant Capital Inc. and its affiliates, and Romeo Fund – Flexi and its affiliates (together, the “**Lenders**”) after receiving shareholder approval and approval from the Government of Greenland.

Pursuant to the Transaction, the Company, among other things, cancelled the inter-company debt owed by the Company's subsidiary, Hudson Greenland A/S (“**Hudson Greenland**”), to the Company and converted approximately US\$13.7M, of the existing debt of US\$43M owed to the Lenders pursuant to existing loan facilities, into preferred shares of Hudson Greenland, thereby reducing the Company's interest payments substantially. Hudson Greenland also issued a convertible debenture in the amount of US\$10M (the “**Debenture**”) to the Lenders, to provide funding directly into Hudson Greenland to ensure sufficient working capital to get the White Mountain anorthosite mine back into operation. The Debenture has a maturity date of five years from the date of issuance, and will be convertible into preferred shares in the capital of Hudson Greenland. The Debenture will not bear interest and will not confer voting rights on the Lenders until conversion of the Debenture, in accordance with its terms.

Hudson Greenland will use the proceeds of the Debenture for working capital to put the White Mountain mine back into production and general corporate purposes, as approved by Hudson Greenland's board of directors. The Company notes that the new structure and capital injection does not dilute the number of shares in Hudson Resources. The Company retains the right to buy back 100% of the White Mountain mine for the next five years.

In accordance with the policies of the TSX Venture Exchange (the “**Exchange**”), and as a condition to completing the Transaction, the Company obtained written shareholder approval of more than 50% of the holders of the Company's common shares to complete the Transaction.

The Mineral License and Safety Authority of Greenland has also approved the debt transaction as it relates to a change of control in the license which holds the White Mountain mine.

Jim Cambon, President commented: “We are pleased to have concluded the debt restructuring which will allow operations at the White Mountain mine to move forward so we can ship product to customers. The team on site has recommenced operations and we have already shipped a 28 tonne sample which will be utilized for commercial trials for potential paints and coatings customers in North America and Europe.”

The Company now owns approximately 31% of the White Mountain anorthosite mine through its subsidiary, Hudson Greenland A/S. This percentage may decrease to approximately 21% should the Debenture be converted into preferred shares of Hudson Greenland.

The Company also holds the Sarfartoq rare earth element (REE) and niobium/tantalum exploration license in Greenland. Activities have commenced on the high-grade niobium project which the Company will provide an update on shortly.

ON BEHALF OF THE BOARD OF DIRECTORS

**“Jim Cambon”**

President and Director

**For further information:**

Ph: 604-628-5002

### **Forward-Looking Statements**

This news release includes certain forward-looking statements or information. All statements other than statements of historical fact included in this news release, including, without limitation, statements regarding the Company’s anticipated use of proceeds of the Debenture and other future plans and objectives of the Company, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s plans or expectations include market prices, general economic, market or business conditions, regulatory changes, timeliness of government or regulatory approvals and other risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company expressly disclaims any intention or obligation to update or revise any forward- looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.