



(an Exploration stage company)

3rd Quarter Interim Consolidated Financial Statements
September 30, 2009
Unaudited-Prepared by Management
not reviewed by an independent auditor

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS AND DEFICIT

CONSOLIDATED STATEMENTS OF CASH FLOWS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ARTHA RESOURCES CORPORATION**Consolidated Balance Sheets**

As at

	September 30, 2009 (Unaudited)	December 31 2008 Audited
ASSETS		
Current assets		
Cash and cash equivalents (note 2)	\$ 294,076	\$ 556,533
Accounts receivable	2,139	10,139
Prepaid	14,525	-
	310,740	566,672
Mineral properties (note 3)	804,150	593,706
	\$ 1,114,890	\$ 1,160,378

LIABILITIES

Current liabilities		
Accounts payable and accrued liabilities	\$ 76,592	\$ 16,184

SHAREHOLDERS' EQUITY

Share capital (note 4)	\$ 1,886,127	\$ 1,886,127
Subscriptions received	124,985	-
Contributed surplus (note 4)	102,538	82,834
Deficit	(1,075,352)	(824,767)
	1,038,298	1,144,194
	\$ 1,114,890	\$ 1,160,378

Continuing operations (note 1)

On behalf of the Board:

"W. Todd McMurray"

W. Todd McMurray

"Kamal Nagra"

Kamal Nagra

The accompanying notes are an integral part of these Consolidated Financial Statements

ARTHA RESOURCES CORPORATION
Consolidated Statements of Operations and Comprehensive Loss and Deficit
(Unaudited)

For the Three and Nine-Months Ended September 30, 2009 and 2008

	Three Months Ended September 30,		Six Months Ended September 30,	
	2009	2008	2009	2008
Expenses				
Bank charges	\$ 404	\$ 983	\$ 1,060	\$ 1,466
Consulting fees	35,000	27,830	114,000	94,025
Expenses relating to identification of qualifying transaction	-	-	-	78,641
Investor relations and promotion	2,464	33,224	3,426	90,496
Office and general	8,418	5,022	23,378	35,339
Professional fees	38,119	3,065	40,189	29,121
Regulatory and transfer agent	8,857	3,501	18,654	17,349
Stock based compensation	-	-	19,704	24,199
Travel	5,639	22,677	7,178	45,629
	98,901	96,302	227,589	416,265
Other income				
Interest income	(294)	(4,614)	(1,765)	(23,403)
Foreign exchange (gain)/loss	12,349	2,571	24,761	(1,619)
Net loss and comprehensive loss for the period	(110,956)	(94,259)	(250,585)	(391,243)
Deficit beginning of period	(964,396)	(651,219)	(824,767)	(354,235)
Deficit end of period	\$ (1,075,352)	\$ (745,478)	\$ (1,075,352)	\$ (745,478)
Basic and diluted loss per common shares	\$ (0.010)	\$ (0.008)	\$ (0.022)	\$ (0.038)
Weighted average common shares outstanding	11,331,287	11,331,287	11,331,287	10,287,985

The accompanying notes are an integral part of these Consolidated Financial Statements

ARTHA RESOURCES CORPORATION
Consolidated Statements of Cash Flows
(Unaudited)

For the Three and nine-Months Ended September 30, 2009 and 2008

	Three Months Ended September 30,		Six Months Ended September 30,	
	2009	2008	2009	2008
Cash provided by (used for):				
Operations:				
Net loss	\$ (110,956)	\$ (94,259)	\$ (250,585)	(391,243)
Item not affecting cash				
Stock based compensation	-	-	19,704	24,199
Change in non-cash working capital:				
Accounts receivable	(138)	14,050	8,000	(7,063)
Accounts payable	57,918	122,366	60,408	128,453
Prepaid expenses	(14,525)	809	(14,525)	8,874
Net cash used in operating activities	(67,701)	42,966	(176,998)	(236,780)
Financing activities:				
Share capital net of issue costs	-	-	-	280,325
Subscriptions received	124,985	-	124,985	-
Net cash provided by financing activities	124,985	-	124,985	280,325
Investing activities:				
Mineral property costs	(168,979)	(323,434)	(210,444)	(458,423)
Net cash used by investing activities	(168,979)	(323,434)	(210,444)	(458,423)
(Decrease)/Increase in cash and cash equivalents during the period	(111,695)	(280,468)	(262,457)	(414,878)
Cash and cash equivalents, beginning of period	405,771	1,142,042	556,533	1,276,452
Cash and cash equivalents, end of period	\$ 294,076	\$ 861,574	\$ 294,076	\$ 861,574

Supplementary cash flow information:

Cash and cash equivalents consist of:

Cash in bank	\$ 164,493	\$ 80,052	\$ 164,493	\$ 80,052
Cashable term investments	\$ 129,583	\$ 781,522	\$ 129,583	\$ 781,522
Interest received from cash equivalents	\$ 406	\$ 14,847	\$ 9,626	\$ 23,339

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

1. INCORPORATION AND NATURE OF BUSINESS

The Company was incorporated under the British Columbia Business Corporations Act on January 9, 2006 as Touchstones Capital Corporation. On February 8, 2006, the Company changed its name from Touchstones Capital Corporation to Artha Resources Corporation. When it first commenced trading on the TSX Venture Exchange (“the Exchange”) in June 2006, the Company was classified as a Capital Pool Company under the Exchange’s listing policy 2.4, pending completion of a Qualifying Transaction (“QT”) as defined under that policy. On March 6, 2008 the Company completed its QT, after receiving the required approval of the Exchange.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company’s interim period Consolidated Financial Statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates. The preparation of the financial data is based on accounting principles and practices consistent with those used in the preparation of the Company’s audited year end financial statements. The unaudited interim consolidated financial statements of the Company do not contain all the disclosure required by Canadian generally accepted accounting principles for year end financial statements and should be read in conjunction with the audited financial statements for the year end December 31, 2008 and the accompanying notes included. In the opinion of the Company its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the result of the interim period presented.

Basis of presentation

The consolidated financial statements include the accounts of the Company’s wholly-owned subsidiary, Artha Resources US Corporation.

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

3. MINERAL PROPERTIES

a) Wyoming United States

On March 6, 2008 the Company signed an option agreement with Uranium One Americas, Inc. (formerly known as Energy Metal Corporation US) a wholly-owned subsidiary of Uranium One, a Canadian public Company, to earn up to a 70% interest in the Clarkson Hill, WY, DCB and BL uranium properties located in the State of Wyoming, USA. To acquire an initial 60% interest the Company must incur \$5 million in exploration expenditures and issue an aggregate of 1,813,060 common shares in stages over 5 years. An additional 10% interest could be subsequently earned upon the delivery of a positive feasibility study to the optioner within 18 months of the Company earning its initial interest, and the payment of all further exploration costs to that point. The optioner will also have the right to back in to a 50% interest in the property, subject to the completion of certain expenditure requirements.

The following table details the Company's future share issue and exploration cost commitments pursuant to this agreement:

Regulatory Approval	Shares	Cash Expenditures	Completed
First anniversary	415,765		-
Within 18 Months		\$500,000	\$500,000
Second anniversary	465,765		-
Within 30 Months		\$1,000,000	136,789
Third anniversary	465,765		-
Within 42 Months		\$1,000,000	-
Fourth anniversary	465,765		-
Within 54 Months		\$1,000,000	-
Within 60 Months		\$1,500,000	-
Total	1,813,060	\$5,000,000	\$636,789

b) Argentina

On September 28, 2009 the Company entered into an Option to acquire 5 exploration properties in Argentina, in the Province of Jujuy in north-west Argentina from Davcha Resources International Ltd. (DRI) a British Columbia, Canada registered private company (the "Option Agreement"). Upon execution of Option Agreement, Charles Straw was appointed a director of the Company and became its Chief Executive Officer. Mr. Straw is an economic geologist.

Pirquitas North

Pirquitas North property is owned by Cardero Resource Corporation whereby under notice of agreement dated January 7, 2007 DRI may earn a 55% interest by incurring exploration expenditures of US\$1.0 million over 4 years. Upon DRI having earned its interest, the parties will enter into a Joint Venture and, thereafter each party is required to contribute its proportional share of further expenditures or be diluted on a straight-line basis.)

Crosby

The Crosby property is owned by Mr. G. Crosby and is under Option by Silver Star Resources Limited, an Australian registered company (SSR). SSR has assigned its 94% ownership in the Option to DRI for cash and retains a 2% NSR on the property. The total cost of the Option is approximately US\$550,000 which includes

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

3. MINERAL PROPERTIES (Continued)

payments to Crosby as per the Option agreement made over the last 2 years and to SSR for reimbursement of direct expenditures incurred on the property to date.

Vallecito, Rosario and Ichaca Properties

The three other properties, Vallecito, Rosario and Ichaca are 100% owned by DRI.

Upon signing the LOI the Company paid \$25,000 to DRI. To exercise the option the Company must issue and allot to DRI 9,500,000 shares in its capital on the following schedule:

The following table details the Company's future share issue commitments pursuant to this agreement:

	Shares
a) Upon the Acceptance Date for filing of formal option agreement	1,700,000
b) One year after the Acceptance Date	1,700,000
c) Two years after the Acceptance Date	1,700,000
d) Three years after the Acceptance Date	1,700,000
e) Four years after the Acceptance Date	1,700,000
f) Upon the Company receiving bankable feasibility report ("BFR") on one the Properties with eight years after the Acceptance Date; provided that if the BFR is not received within the said eight years the total consideration will be reduced to 8,500,000 shares of the Company	1,000,000
Total	9,500,000

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

3. MINERAL PROPERTIES (Continued)

Schedule of mineral property expenditures:

Wyoming, United States	Balance at 12-31-07	Additions	Write-offs	Balance at 12-31-08	Additions	Write-offs	Balance at 03-31-09
Clarkson Hill							
Drilling	-	117,052	-	117,052	563	-	117,615
Geology Consulting	-	82,204	-	82,204	839	-	83,043
Lease & Regulatory	-	17,088	-	17,088	7,391	-	24,479
Office & Sundry	-	6,960	-	6,960	1,365	-	8,325
Staking	-	5,604	-	5,604	-	-	5,604
Travel	-	1,740	-	1,740	12	-	1,752
	-	230,648	-	230,648	10,170	-	240,818
WY							
Drilling	-	122,778	-	122,778	4,887	-	127,665
Geology Consulting	-	66,649	-	66,649	49,105	-	115,754
Lease & Regulatory	-	17,567	-	17,567	11,703	-	29,270
Office & Sundry	-	6,138	-	6,138	6,281	-	12,419
Staking	-	1,202	-	1,202	-	-	1,202
Travel	-	5,011	-	5,011	167	-	5,178
	-	219,345	-	219,345	72,143	-	291,488
DCB							
Drilling	-	5,140	-	5,140	-	-	5,140
Geology Consulting	-	27,034	-	27,034	312	-	27,346
Lease & Regulatory	-	27,158	-	27,158	15,244	-	42,402
Office & Sundry	-	6,089	-	6,089	1,365	-	7,454
Staking	-	601	-	601	-	-	601
Travel	-	494	-	494	-	-	494
	-	66,516	-	66,516	16,921	-	83,437
BL							
Geology Consulting	-	8,840	-	8,840	-	-	8,840
Lease & Regulatory	-	1,682	-	1,682	1,232	-	2,914
Office & Sundry	-	5,927	-	5,927	1,366	-	7,293
Staking	-	601	-	601	-	-	601
Travel	-	1,398	-	1,398	-	-	1,398
	-	18,448	-	18,448	2,598	-	21,046
Subtotal	-	534,957	-	534,957	101,832	-	636,789
Other							
Assays	-	470	-	470	-	-	470
Geology Consulting	-	47,489	-	47,489	625	-	48,114
Lease & Regulatory	-	9,734	-	9,734	9,903	-	19,637
Office & Sundry	-	656	-	656	76	-	732
Travel	-	400	-	400	-	-	400
	-	58,749	-	58,749	10,604	-	69,353
Subtotal Wyoming	-	593,706	-	593,706	112,436	-	706,142
Argentina							
Acquisition	-	-	-	-	76,255	-	76,255
Geology Consulting	-	-	-	-	21,753	-	21,753
Subtotal Argentina	-	-	-	-	98,008	-	98,008
Total	-	593,706	-	593,706	210,444	-	804,150

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

4. SHARE CAPITAL

a. Authorized:

Unlimited number of voting common shares without nominal or par value.

b. Issued voting common shares:

	Number of Shares	Share Capital	Contributed Surplus
Issued:			
Balance as at December 31, 2007	7,000,001	441,351	34,436
Private Placement, net of share issue costs of \$71,174	4,331,286	1,444,776	-
Stock-based compensation			48,398
Balance as at December 31, 2008	11,331,287	\$ 1,886,127	\$ 82,834
Stock-based compensation			19,704
Balance as at September 30, 2009	11,331,287	\$ 1,886,127	\$ 102,538

c. At September 30, 2009 the Company had received Subscription advances of \$124,985 in respect of a private placement of 7,500,000 units at a price of \$0.10.

On March 6, 2008, the Company completed a private placement of 4,331,286 units at a price of \$0.35 for gross proceeds of \$1,515,950. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable for a period of two years from the closing date to acquire one common share of the Company at a price of \$0.65.

d. Shares held in escrow:

A total of 3,150,001 common shares were escrowed. Upon the completion of the Company's Qualifying Transaction, 315,000 common shares were released from escrow as at September 30, 2009 1,417,500 (December 31, 2008 2,362,500) common shares remain in escrow and will be released as to 15% on each of the 6, 12, 18, 24, 30, and 36 month anniversary dates thereafter.

e. Warrants:

	Number of warrants	Weighted average exercise price	Weighted average remaining life of warrants outstanding	Expiry date
Balance as at December 31, 2007	-	-	-	-
Private placement issue	4,331,286	\$0.65	1.18 years	March 6, 2010
Balance as at December 31, 2008	4,331,286	\$0.65	1.18 years	March 6, 2010
Balance as at September 30, 2009	4,331,286	\$0.65	0.43 year	March 6, 2010

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

5. STOCK-BASED COMPENSATION

During fiscal 2008 the Company granted 267,500 stock options. The stock option is subject to vesting as to 25% upon issuance and 25% each six months thereafter pursuant to the Company's Stock Option Plan. A summary of the Company's options outstanding is as follows:

	2009			2008		
Expiry Date	Number of Shares	Weighted average exercise price	Weighted average remaining life of options outstanding	Number of shares	Weighted average exercise price	Weighted average remaining life of options outstanding
May 09, 2011	600,000	\$0.10	1.61 years	600,000	\$0.10	2.35 years
July 04, 2012	65,000	0.38	2.76 years	65,000	0.38	3.51 years
April 30, 2013	217,500	0.35	3.58 years	217,500	0.35	4.33 years
May 09, 2010	50,000	0.35	0.61 year	50,000	0.35	1.35 years
Exercised	-	-	-	-	-	-
Total balance	932,500	\$0.19		932,500	\$0.19	

During fiscal 2009 stock based compensation costs in the amount of \$19,704 (2008-\$48,398) were recorded in the Consolidated Statement of Operations and Comprehensive Loss. The fair value of all compensatory options and warrants granted is estimated on grant date using the Black-Scholes option pricing model.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted:

	2009	2008
	Stock options	Stock Options
Risk-free interest rate	-	2.43% - 2.88%
Expected life of options	-	2 to 5 years
Annualized volatility	-	126% - 139 %
Dividend rate	-	Nil

6. RELATED PARTY TRANSACTIONS

All transactions with related parties occurred in the normal course of business and were measured at the exchange amount, which was the fair value as agreed between management and the related parties. The balances disclosed in the financial statements were unsecured receivable or payable upon demand and arose from the provision of services, expense reimbursements or advances. All material transactions and balances with related parties are described below.

During the nine month period ended September 30, 2009, the Company paid \$30,000 (2008 - \$35,800) to a director of the Company for technical review and evaluation of the exploration projects.

During the nine month period ended September 30, 2009, the Company paid \$7,500 (2008 \$nil) for geological services of that director as CEO of the Company.

During the nine month period ended September 30, 2009, the Company paid \$45,000 (2008 \$35,000) for professional services of that director as President of the Company.

During the nine month period ended September 30, 2009, the Company paid \$39,000 (2008 - \$28,000) for professional services of that director as Chief Financial Officer of the Company.

ARTHA RESOURCES CORPORATION

Notes to the Consolidated Financial Statements

For the Nine months ended September 30, 2009

7. COMMITMENTS:

The Company entered into an office sublease for its head office at Suite 1518-800 West Pender Street for 3 years and 5 months commencing on March 1, 2009 and ending on July 30, 2012, at yearly base rent of \$15,164 escalating to \$16,502 after July 31, 2010.

8. SUBSEQUENT EVENTS:

Subsequent to September 30, 2009:

- (a) The Company entered into an agreement with Bernie Kennedy Consulting Inc. to provide corporate communications and marketing services for a twelve month term and includes compensation of \$6,000 per month and the grant of 175,000 incentive stock options, exercisable at a price of \$0.20 per share.
- (b) The Company granted 820,000 incentive stock options to its directors, officers, employees and consultants at an exercise price of \$0.20 per share, that expire on October 29, 2014. The stock options are subject to vesting as to 25% every six months pursuant to the Company's Stock Option Plan.
- (c) The Company appointed Dr. David Cohen to the Company's advisory board. Dr. Cohen has 20 years of experience in pure and applied exploration and environmental geochemistry research in Australia, Europe, Asia, the Middle East and North America. He is the President of the International Association of Applied Geochemists, Head of the School of Biological, Earth Environmental Sciences at University of New South Wales.
- (d) The Company completed its private placement of 7,500,000 units at \$0.10. Each unit consisting of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company upon payment of the exercise price of \$0.20 within 24 months from the closing date of the private placement.
- (e) The Company cancelled 207,500 stock options.