



(an Exploration stage company)

1st Quarter Interim Financial Statements –March 31, 2010
Unaudited-Prepared by Management
not reviewed by an independent auditor

ARTHA RESOURCES CORPORATION

Form 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010

General

The following discussion and analysis, prepared as of May 31, 2010, should be read in conjunction with the Company's financial statements for period ended March 31, 2010 and related notes. The Company's financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles. The Company's reporting currency is Canadian dollars. The date of this Management Discussion and Analysis is May 31, 2010. Additional information on the Company is available on SEDAR at www.sedar.com.

Statements in this report that are not historical facts and 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.

Nature of Business

Artha Resources Corporation, a mineral exploration company based in Vancouver ("Artha" or the "Company") was a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange") until March 6, 2008. Effective March 6, 2008 the Company completed its Qualifying Transaction. Upon completion of the Qualifying Transaction the Exchange reclassified the Company as a Tier 2 listed company under the trading symbol of AHC.

Overall Performance

On September 28, 2009 the Company entered into an Option to acquire 5 exploration properties in Jujuy Province, NW Argentina, 2 of which adjoin Silver Standard's Pirquitas Mine (the "Option Agreement"). The Option Agreement is with Davcha Resources International Ltd, (DRI) a BC registered private company.

The 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 (JV) and, thereafter each party is required to contribute its proportional share of further expenditures or be diluted on a straight-line basis.

The Crosby property was owned by Mr. G. Crosby and was 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 was approximately US\$550,000 which included payments to Mr. Crosby as per the Option agreement made over the last 2 years and to SSR for reimbursement of direct expenditure incurred on the property to date. During 2009, the Company made the full remaining outstanding payments of US\$215,000 and AUD\$169,105 to Mr. Crosby and SSR providing DRI with the title on these 2 properties as per the agreements with Mr. Crosby and SSR respectively.

Under the Option DRI agrees to grant to Artha an option (“Option”) to acquire the Properties on the following principal terms.

Upon signing the LOI Artha paid \$25,000 to Davcha .

To exercise the option Artha must issue and allot to Davcha 9,500,000 shares in its capital on the following schedule:

- (a) 1,700,000 shares immediately following the acceptance for filing of a formal option agreement between the parties by the Exchange (“Acceptance Date”);
- (b) 1,700,000 shares one year after the Acceptance Date;
- (c) 1,700,000 shares two years after the Acceptance Date;
- (d) 1,700,000 shares three years after the Acceptance Date;
- (e) 1,700,000 shares four years after the Acceptance Date;
- (f) 1,000,000 shares upon Artha receiving a bankable feasibility report (“BFR”) on one of the Properties within 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 Artha.

On March 6, 2008 the Company completed its Qualifying Transaction as a Capital Pool Company. The Company finalized its letter of intent with Uranium One Americas, Inc. (formerly known as Energy Metals US Corporation (a wholly owned subsidiary of Uranium One), hereinafter referred to as Uranium One.

Subsequent to the signing of the Letter of Intent, the Company entered into the Uranium One Agreement wherein, the Company can earn up to a 70% interest in the Properties.

Pursuant to the Uranium One Agreement, the Company may exercise its right to earn up to a 60% interest in the Properties by, among other things:

1. issuing to Uranium One:
 - a. 415,765 Appropriately Adjusted Shares as soon as practicable following the first anniversary of Regulatory Approval;
 - b. a further 465,765 Appropriately Adjusted Shares as soon as practicable following the second anniversary of Regulatory Approval;
 - c. a further 465,765 Appropriately Adjusted Shares as soon as practicable following the third anniversary of Regulatory Approval;
 - d. a further 465,765 Appropriately Adjusted Shares as soon as practicable following the fourth anniversary of Regulatory Approval; and

2. incurring minimum exploration expenditures over a five-year period on one or more Properties, all of which expenditure obligations may be accelerated at the Company's option, as follows:
 - a. \$500,000 within 18 months of Regulatory Approval;
 - b. a further \$1,000,000 within 30 months of Regulatory Approval;
 - c. a further \$1,000,000 within 42 months of Regulatory Approval;
 - d. a further \$1,000,000 within 54 months of Regulatory Approval; and
 - e. a further \$1,500,000 within 60 months of Regulatory Approval.

Upon satisfying conditions 1 and 2 above, a 60% interest in the Properties shall vest in the Company.

The timing of the issuance of the aggregated 881,530 Appropriately Adjusted Shares under conditions 1(a) and 1(b) above shall be adjusted, at all times prior to the date of the second anniversary of Regulatory Approval, to the extent necessary to ensure that, following any such issuance, the total number of Voting Securities that Uranium One directly or indirectly beneficially owns, controls, has direction over, or has through a combination of direct or indirect beneficial ownership of and control or direction over, does not exceed 9.99% of the total number of issued and outstanding Voting Securities. In the event that any Appropriately Adjusted Shares are not issued by Artha due to the operation of the foregoing adjustment, Artha shall issue such Appropriately Adjusted Shares to Uranium One as soon as practicable following the third anniversary of Regulatory Approval.

Pursuant to the Second Option the Company may elect to earn an additional 10% interest in the Properties for a 70% interest in total, by notifying Uranium One Americas, Inc. of its intention to pursue the Second Option, and by paying all exploration and development costs, including the costs of a feasibility study, after the above 60% interest in the Properties vests in the Company and, subject to force majeure provisions, delivering to Uranium One Americas, Inc a feasibility study in respect of one or more of the Properties on or before 18 months after the date such 60% interest in the Properties so vests.

Additional Rights of Uranium One Americas, Inc.

Provided Uranium One Americas, Inc. is not in default of its obligations to the Company under the Uranium One Agreement:

1. Uranium One Americas, Inc. shall hold a right of first refusal to process ores or resins from the Properties that are not processed directly by the Company;
2. Uranium One Americas, Inc. shall have the option to purchase back from the Company an interest in a particular Property as to take Uranium One interest in such Property up to 50%. If a feasibility study has not been prepared for such Property, Uranium One Americas, Inc. may exercise this right by paying to the Company a cash amount equal to three times the amount of expenditures incurred by the Company on the Properties, within 60 months of Regulatory Approval. If a feasibility study has been prepared for such Property, Uranium One Americas, Inc. may exercise this right by paying to the Company a cash amount equal

to five times the amount of expenditures incurred by the Company on the Properties, within 90 days of receiving the feasibility study relating to the Property.

Mineral Properties:

Argentina

Crosby and Pirquitas Norte

The Crosby and Pirquitas Norte properties are located in the north-east of the Province of Jujuy within the Departments of Rinconada and Cochinoca, adjoining on the north, east and west of Silver Standards Pirquitas Silver mine and close to the south-east Bolivian border and north-east limits of Chile.

Crosby and Pirquitas Norte are contiguous with Silver Standard's property line and fall within the very same geological setting. Reconnaissance work has defined five high priority targets. The target mainly comprises extensions to the Ag-Sn-Zn system of Pirquitas Mine. The geochemistry suggests affiliations with low sulphidation gold/silver epithermal deposits.

Vallecito

Vallecito is located in the north-east of the Province of Jujuy within the Departments of Rinconada and Cochinoca and is 32km to the east of the restarted Pirquitas Ag-Sn-Zn mine. The target comprises the potential for Ag-Sn-Zn stockwork systems and a separate vein Cu deposit.

Rosario and Ichaca

Rosario and Ichaca are located in the north-east of the Province of Jujuy within the Departments of Rinconada and Cochinoca and are 24km and 34km to the SW (respectively) of the restarted Pirquitas Ag-Sn-Zn mine. The properties are located on the east and west flanks of a 12km diameter volcanic ring complex with preliminary government reconnaissance sampling indicating anomalous Sn-Cu-Au.

In the Rosario and Ichaca properties the main target is for low grade epithermal Au deposits with high tonnage potential.

Rare Earth Properties

The rare earths licenses, covering over 40,000 hectares, include the Susques Property which covers more than 20,000 hectares in southern Jujuy Province, NW Argentina. Susques is known to be prospective for a variety of rare earths elements, including yttrium, and thorium has been historically mined on a small scale. The local geology is dominated by Ordovician sediments and Tertiary intrusives and Carbonatites with little detailed exploration ever being done. Rare earth mineralisation observed to date is hosted in stockwork veins with the host structures up to 10 meters wide.

The properties were identified as part of the Company's continuous target generation strategy where new opportunities are constantly being reviewed to provide ongoing feedstock for our expansion and growth. The properties were selected based on extensive local knowledge and deep experience in the NW Provinces, in particular through our local country manager who has mined and prospected in this region for almost three decades. His expert knowledge has guided our efforts to

secure strategically significant and geologically prospective properties, with rare earths providing an important opportunity.

A short reconnaissance program by AHC geologists in December 2009 targeted Susques where mapping and rock chip sampling identified a number of parallel mineralised veins that have been traced for over 6 km in total strike length. The initial results from this sampling included sample 26954 which returned elevated rare earth elements, including Yttrium.

Sample Number	Ce ppm	Dy ppm	Er ppm	Eu ppm	Ga ppm
26954	2990	106	18.65	182	17.2
	Gd ppm	La ppm	Nd ppm	Pr ppm	Rb ppm
	474	1360	2550	472	13.4
	Sm ppm	Sr ppm	Th ppm	Y ppm	Zn ppm
	825	933	>1000	192.5	90

Additional sampling on this property has shown that elevated levels of some rare earth metals are present on similar vein structures on other parts of the property.

These results are important first indicators of potential mineralisation considering the broader geological environment in which they lie. The ratio of heavy to light rare earths is also encouraging. More detailed work is now planned to commence in the coming months to ascertain the extent and economic potential of mineralisation.

Wyoming USA

WY Property

The WY property is located in the Shirley Basin Mining District, in Carbon County, Wyoming. Wold Nuclear Corp, a previous operator of the project, explored the property in the 1970's then documented in a geological report dated September 1978 uranium resources in two separate areas on the property. In the north area a resource of 877,000 lbs U3O8 contained within 528,000 tons grading 0.083% U3O8 at a cutoff of 0.04% U3O8 was estimated. While in the south area a resource of 493,000 lbs U3O8 contained within 432,000 tons grading 0.058% U3O8 using a cutoff grade of 0.03% U3O8 was estimated.

The Company is not treating historical estimates at WY as current mineral resources as they have not been classified according to CIM resource categories and are non National Instrument 43-101 compliant and therefore these historical estimates should not be relied on. While there are no resources established under the current National Instrument 43-101, the Company considers the historical data to be substantial and relevant as it will be invaluable to guiding further exploration and resource definition.

Clarkson Hill

Clarkson Hill property is located on the southern edge of the Wind River Basin, 26 miles from Casper in Natrona County, Wyoming. Roll-front type uranium mineralization was discovered at Clarkson Hill during the 1950's, but the property was more extensively explored from the 1970's through the mid 80's. Most of this work was completed by Minerals Exploration Company, a

subsidiary of Union Oil. Minerals Exploration and previous companies are reported to have drilled an estimated 383 holes, including 21 core holes, for a total of 124,565 feet. The drilling demonstrated continuity of the deposit, particularly along the mineralized trends.

In the recent Clarkson Hill Uranium Project Mineral Resource Report (43-101 compliant; October, 2007), BRS Inc estimated a new U3O8 inferred resource at Clarkson Hill.

GT Minimum	Pounds U3O8	Tons	Average Grade % U3O8
0.10	1,148,287	1,051,618	0.055
0.25	939,888	753,611	0.062
0.50	546,136	329,870	0.083

* Economics, mining method, and recovery will dictate the appropriate cutoff grade and/or GT to be applied to the in-the-ground resources. The 0.10 GT cutoff estimates were reported to assess the total resource. The 0.25 cutoff is more appropriate for in situ recovery, ISR, and/or conventional mining operations and is recommended for reporting purposes. The 0.50 GT cutoff was employed to highlight the areas of strongest mineralization.

DCB and BL

The DCB property is located in Converse County, while the BL property is located in Sweetwater County. Both prospects have minimal geological data available at this time, however reports note there is uranium mineralization from historic work.

Phosphate

The properties are located over 2 anticlinal structures which stretch for 6 miles, and 7 miles generating over 13 miles of trend. The dip of the phosphate beds overlying the structure has been modified by cross cutting faults, dip ranges from 10 degrees to 24 degrees. These geological features are similar to producing phosphate mines worldwide.

The Company acquired 4,440 acres of state phosphate leases and has submitted formal application for an additional 6,004 acres of federal phosphate leases. The property was acquired after a review of geologic survey papers which indicated significant grades, thickness and tonnage from trenching and pitting.

Summary of Quarterly Results

The following tables provide a brief summary of the Company's financial operations. For more detailed information, refer to the Company's Financial Statements.

	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009
Total revenues	\$691	\$138	\$294	\$298
Net loss	\$171,745	\$200,468	\$110,956	\$84,536
Net loss per share	\$0.008	\$0.010	\$0.010	\$0.007
Total assets	\$2,424,588	\$1,867,239	\$1,114,890	\$1,042,943
Total liabilities	\$21,631	\$46,402	\$76,592	\$18,674

	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Total revenues	\$1,173	\$4,580	\$4,614	\$9,110
Net loss	\$55,093	\$79,289	\$94,259	\$153,535
Net loss per share	\$0.005	\$0.007	\$0.008	\$0.014
Total assets	\$1,106,475	\$1,160,378	\$1,342,080	\$1,313,973
Total liabilities	\$17,374	\$16,184	\$142,796	\$20,430

Results of Operations

During the three months period ended March 31, 2010 the Company incurred a net loss of \$171,745 (2009 - \$55,093). The loss includes consulting expenses of \$73,267 (2008-\$47,000). The increase in consulting fees is due to the increase of corporate and exploration work in Argentina, the full time services of the Corporate Secretary, and an increase in services provided by the President and the CFO. The Company incurred Investor relations and promotion expenses of \$43,195 (2009 - \$712), the increase is due to the Company becoming more active and investor relation services provided by Bernie Kennedy Consulting Inc. at a monthly rate of \$6,000. The Company also updated the investor relations material and attended the PDAC in Toronto. The Company incurred office and general expenses of \$24,008 (2008-\$4,921) the increase is due the monthly rent expense of \$2,467 and the Company purchasing computers and software to use in the office. The Company incurred regulatory expenses of \$14,384 (2209-\$6,508), the increase is due to the private placement filing fees. The Company incurred travel expenses of \$12,621(\$1,539); the increase is due to the travel of the CEO and the President.

During the period the Company's consulting Geologist reviewed the drilling program and reviewed the historical data to prepare for future drilling program on the uranium properties that were acquired from Uranium One Americas, Inc. in the state of Wyoming. Exploration costs of \$675,838 were deferred on these Mineral properties. The Company also deferred exploration costs of \$69,353 to other Mineral properties for the Phosphate leases. A total of \$745,191 is incurred on the Mineral properties in Wyoming USA.

During the period the Company completed Phase 1 reconnaissance mapping and sampling program started during 2009 on the Argentina properties, and commenced work on the Argentina Piriquitas and Rare Earth properties. The Company deferred acquisition costs of \$774,634 and deferred exploration costs of \$161,258, for a total of \$935,832, on these properties. The Company acquired additional Rare Earth Properties in the province of Jujuy and Salta in Argentina by incurring deferred acquisition costs of \$38,581 and deferred exploration costs of \$7,757 for total of \$46,338.

Liquidity and Capital Resources

As at March 31, 2010, the Company had working capital of \$675,536 (December 31, 2009 - \$237,341), which is sufficient for the Company to meet its ongoing obligations.

On February 24, 2010, the Company completed a private placement of 5,923,000 units of the Company at a price of \$0.15 per unit. Each unit consisted of one common share of the Company 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 \$0.25 for a period of 24 months. The securities are subject to a four month hold that expire in July 2010.

On March 11, 2010 the Company amended the expiry date of 4,331,286 with an exercise price of \$0.25 per share purchase warrants from March 6, 2010 to September 6, 2010. Pursuant to the Company's news release dated September 2, 2009, the warrants were previously amended from \$0.65 per share to \$0.25 per share.

On October 6, 2009 the Company completed a private placement for up to \$750,000 through the sale of up to 7,500,000 units of the Company at a price of \$0.10 per unit. Each unit will consist of one common share of the Company 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

At present the Company has no producing properties. In the past the Company has financed its operations through the sale of equity securities. The Company expects to obtain financing in the future through the exercise of outstanding stock options and warrants or arranging equity financing. There can be no assurance that the Company will succeed in obtaining additional financing at the time required by the Company.

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.

Risk and Uncertainties

The Company is in the mineral exploration and development business and as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. There is no certainty that properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded.

The only sources of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Although the Company was successful in accessing the equity market during the past year, there is no assurance that such sources of financing will be available on acceptable terms, if at all. Management at this time has no reason to expect that this capability will diminish in the near term.

Off-Balance Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Related Party Transaction

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 3 month period ended March 31, 2010, the Company paid \$15,000 (2009 - \$20,000) to a director of the Company for technical review and evaluation of the exploration projects.

During the 3 month period ended March 31, 2010, the Company paid \$23,500 (2009 - \$nil) for geological and corporate services of that director as CEO of the Company.

During the 3 month period ended March 31, 2010, the Company paid \$25,000 (2009 - \$15,000) for professional services of that director as President of the Company.

During the 3 month period ended March 31, 2009, the Company paid \$25,000 (2009 - \$12,000) for professional services of that director as Chief Financial Officer of the Company.

During the 3 month period ended March 31, 2009, the Company paid \$17,000 (2009 - \$nil) for professional services of that director as Corporate Secretary of the Company.

Subsequent Events:

Subsequent to March 31, 2010:

- a) William Sheriff resigned from the board of directors of the Company and Christine Thomson was appointed to the Company's board of directors.
- b) The Company appointed Dr. Vicente Mendez to its Advisory Board.

Outstanding Share Data

As at May 31, 2010 the Company had outstanding:

26,454,287 issued and outstanding common shares
11,042,786 warrants
1,545,000 directors & employee incentive stock options

Other Information

The Company has designed and put in place internal controls over financial reporting and the Chief Executive Officer and Chief Financial Officer have reviewed the process and have concluded that the controls in place give reasonable assurance that relevant and reliable financial information is available for reporting and for the preparation of interim and annual financial statements in accordance with Canadian GAAP. The internal controls have an inherent weakness in the area of management override and segregation of accounting duties, in that the accounting staff is small in

number and it is not practical or cost effective to increase accounting personnel to enable the segregation of all accounting duties in a company of this size.

In February 2008 the Canadian Accounting Standard Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended August 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be accurately determined at this time.