

ARTHA RESOURCES CORPORATION

Form 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS

General

The following discussion and analysis, prepared as of August 28, 2006, should be read in conjunction with the Company's prospectus dated May 9, 2006 and all of the notes, risk factors and information contained therein. 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 August 28, 2006. Additional information on the Company is available on SEDAR at www.sedar.com.

Statements in this report 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.

Nature of Business

Artha Resources Corporation ("Artha" or the "Company") is a Capital Pool Company ("CPC") as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"). As a result, the Company's current business is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction.

Overall Performance

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. Artha has not conducted any commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions or interest. The Company is not specifically considering pursuing a company, asset or business in any specific business or industry sector, or in any particular geographical area, and the Company has reviewed and anticipates it will continue to review companies, assets and businesses in broad range of industry sectors and geographical areas.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of business or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. Except as described in the Company final prospectus dated May 9, 2006 the funds raised pursuant

to the Company initial public offering any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

Although the Company has commenced the process of identifying potential acquisition with a view to completing the Qualifying Transaction and has actively evaluated several potential candidates, the Company has not yet entered into an agreement in principle for any particular transaction.

Selected Information

As the Company was incorporated on January 9 2006, comparative audited year end data in not available. A summary of selected financial information for the period from incorporation to June 30, 2006 is as follows:

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

	From Incorporation (January 09, 2006) to June 30, 2006	Quarter Ended June 30, 2006	Quarter Ended March, 31, 2006
Total revenues	\$1,805	\$1,805	\$ 0
Net loss	\$46,903	\$37,770	\$8,323
Net loss per share	\$0.013	\$0.009	\$0.003
Total assets	\$409,942	\$409,942	\$149,177
Total liabilities	\$23,338	\$23,338	\$0

For the period from incorporation to June 30, 2006 the Company reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Results of Operations

As at June 30, 2006, the Company had no operations. For the quarter ended June 30, 2006, the Company had interest income of \$1,805 and expenses of \$39,575 for the net loss of \$37,770. The loss includes a stock based compensation expense of \$25,446, which is a non-cash expense. The expenses of \$15,951 are related to travel and other costs associated with the evaluation and negotiation of potential qualifying transaction.

Liquidity and Capital Resources

As at June 30, 2006, the Company had working capital of \$386,604, which is sufficient for the Company to meet its ongoing obligations and meet its objective to complete a Qualifying Transaction.

On May 09, 2006 the Company completed the initial Public Offering of 3,500,000 common shares at \$0.10 per share for gross proceeds of \$350,000. Union Securities Ltd acted as agent in respect of the offering and received a cash commission of \$45,000 as well as the equivalent of 10% of the number of common shares sold in the offering of 350,000 common shares at \$0.10 per share, exercisable for a period of eighteen months from the date of filing of the common shares on an exchange.

Off-Balance Arrangements

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

Related Party Transaction

No related party transactions occurred.

Outstanding Share Data

As at August 28, 2006, the Company had outstanding:
6,650,001 issued and outstanding common shares;
600,000 directors & employee incentive stock options;
350,000 agent share purchase warrants.

Proposed Transactions

The Company does not have business operations or assets other than cash, and has no written or oral Agreement in Principle of the acquisition of an asset or business at this time.