(an Exploration stage company)

MANAGEMENT DESCUSSION AND ANALYSIS
2ND Quarter Ended June 30, 2011

ARTHA RESOURCES CORPORATION

Form 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2011

General

The following discussion and analysis, prepared as of August 26, 2011, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended June 30, 2011 and related notes and audited financial statements for the year ended December 31, 2010. The Company's financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"). The IFRS standards became effective January 1, 2011 and replace the previous Canadian Generally Accepted Accounting Principles ("GAAP"). The Company's reporting currency is Canadian dollars. The date of this Management Discussion and Analysis is August 26, 2011. 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 ("Artha" or the "Company") is a publicly traded mineral exploration company listed on the TSX Venture trading under the symbol "AHC". The Company's main business focus has been to acquire and explore mineral properties in Argentina and Wyoming USA.

Overall Performance

On September 28, 2009 the Company entered into an Option to acquire five exploration properties in Jujuy Province, NW Argentina, two of which adjoin Silver Standard's Pirquitas Mine (the "Option Agreement"). The Option Agreement is with Davcha Resources International Ltd, (DRI) a B.C. 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. Guillermo 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 expenditures 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 two 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.

Exploration and Evaluation Assets :

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 targets mainly comprise extensions to the Ag-Sn-Zn system of the Pirquitas Mine. Geochemistry work 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.

Based on field observations and preliminary analysis, the Company’s geologists interpret that there is a large polymetallic vein system hosted in Ordovician rocks consisting of six main mineralized quartz vein sets with stock-working of quartz veinlets and sulphide mineralization between them. The main veins range in width from 0.4 to 2m and appear to be semi-continuous for almost 4km in strike length in a north-east/south-west orientation which is consistent with known large scale mineralization in the region. The mineralized and altered system has a width of over 1.5km with a more intensely altered and mineralized centre extending for 600m in width.

The principal alteration is a moderate to strong intermediate argillic, which occurs as a halo surrounding the main vein system. This alteration consists of quartz veinlets, clays, sericite, pyrite, and iron-oxides replacing feldspar, ferromagnesian minerals and plagioclase. The sulphide mineralization occurs mainly in veins, with chalcopyrite, sphalerite, galena, chalcocite observed in hand specimens with quartz, iron-oxides, manganese-oxides, calcite and barite as gangue.

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 targets are low grade epithermal Au deposits with high tonnage potential.

Rare Earth Properties*:*

Jujay - Susques

The Susques Property, which covers 41,500 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, Tertiary intrusive, 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.

A short reconnaissance program by the Company’s 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 26,954, which returned elevated rare earth elements, including Yttrium.

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 mineralization 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 mineralization.

Salta Province – Cachi

The Cachi property covers over 55,000 hectares in Salta Province NW Argentina which offers excellent opportunity for discovery based on very favourable geology. This project has good access to the local town of Cachi and only 160km west of Salta city, the capital of Salta Province. The Geology is prospective for pegmatite related rare earth mineralization based on extensive granitoid intrusions, extending for over 40km in strike, with large (up to 300m wide) pegmatite dykes intruding neo-proterozoic gneiss. Many pegmatites have been economically valuable as sources of clays and feldspars, as well as bismuth, lithium, molybdenum, rare-earths, tantalum-niobium, thorium, tin, tungsten, and uranium minerals.

Reconnaissance work has been completed with stream sediment sampling and mapping completed, identifying three targets based on surface alteration halos.

Santiago del Estero Province – Jasimampa

The Jasimampa Property covers 60,000 hectares of ground in Jasimampa area in the Sierra Norte de Córdoba of Argentina Santiago del Estero Province. The property lies directly east of a number of known small rare earth deposits. This new project is considered highly prospective for rare earth mineralization related to carbonatites, plus hydrothermal precious and base metal mineralization.

Wyoming USA

In the State of Wyoming The Company has 32 mineral claims which were acquired through staking directly from the Bureau of Land Management in the state of Wyoming USA.

At December 31, 2010, the Company has dropped its option with Uranium One on the Clarkson Hill, WY, DCB, and BL uranium properties and has written off all related deferred costs.

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.

	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010
Total revenues	$5,959	$5,993	$3,053	$110
Net loss	267,430	249,165	$1,606,817	$219,987
Net loss per share	$0.005	$0.005	$0.043	$0.008
Total assets	$4,991,840	$4,448,968	$4,441,616	$2,638,028
Total liabilities	$196,279	$36,564	$82,490	$130,231

	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009
Total revenues	$71	$691	$138	$294
Net loss	$179,610	$171,745	$200,468	$110,956
Net loss per share	$0.007	$0.008	$0.010	$0.010
Total assets	$2,261,073	$2,424,588	$1,867,239	$1,114,890
Total liabilities	$7,173	$21,631	$46,402	$76,592

Results of Operations

During the three month period ended June 30, 2011, the Company incurred a net loss of $267,430 (2010-$179,610). The loss includes consulting expenses of $100,415 (2010-$86,599).The increase in consulting fees is due to the services provided by a part-time consultant for the Company seeking a listing on the ASX Exchange. The Company incurred insurance expense for Director's liability of $9,833 (2010-$nil). The Company incurred Office and general expenses of $27,622 (2010-

$11,049). The increase is due the Company moving to new location for its head office. The Company expensed exploration expenditures of $26,760 for the Wyoming exploration properties. The Company incurred regulatory and transfer agent expenses of $15,752 (2010 - $5,970). The increase in regulatory and transfer agent fees is due to the filing fee incurred for the preliminary assessment fee by the ASX exchange. The Company incurred travel expenses of $29,495 (2010 - $7,513. The increase in travel expenses is due the travel of the President and the CEO to promote investor awareness. Interest income for the period $5,959 (2010-$691) increased due to the higher cash balance.

During the period, the Company began drilling and constructing a 5km road to allow a drilling rig access to the Vallecito property for the drilling program. The Company performed detailed mapping and sampling on all of its base metal properties in Argentina. The Company deferred acquisition costs of $1,220,658 and deferred exploration costs of $1,473,874, a total of $2,694,532 in deferred costs on these properties.

During the period the Company staked 60,000 hectares of new rare earth property in Jasimampa area in the Sierra Norte de Cordoba of Argentina Santiago del Estero Province. The Company deferred acquisition costs of $65,048 and deferred exploration costs of $145,099 for a total of $210,147 for the rare earth properties in the province of Jujuy and Salta and Santiago Del Estro in Argentina.

Liquidity and Capital Resources

As at June 30, 2011, the Company had working capital of $1,890,882 (March 31, 2011 - $2,548,515), which is sufficient for the Company to meet its ongoing obligations.

During fiscal 2011 753,000 warrants @ $0.25 and 515,000 warrants @ $0.20 were exercised for gross proceeds of $291,250.

On May 4, 2011 450,000 share options @ $0.10 were exercised for gross proceeds of $45,000.

On December 3, 2010, the Company completed a private placement of 20,000,000 units at a price of $0.15 per unit. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at $0.30, entitling the holder to acquire one additional common share of the Company upon payment, and expires 24 months from the date of closing.

On September 17, 2010, the Company completed a private placement of 4,545,455 units at a price of $0.11 per unit. Each unit consists of one common share of the Company and one-half of one share purchase warrant. Each whole warrant is exercisable at $0.25, entitling the holder to acquire one additional common share of the Company upon payment, and expires 24 months from the date of closing.

On March 3, 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 is exercisable at $0.25, entitling the holder to acquire one additional common share of the Company upon payment, and expires 24 months from the date of closing.

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 1502-543 Granville Street, Vancouver, BC for three years, commencing on April 1, 2011 and ending March 31, 2014, at yearly base rent of $60,340. The Company terminated the office sublease for its head office at Suite 1518-800 West Pender Street, Vancouver, BC.

Risk and Uncertainties

The Company is in the mineral exploration and development industry and, as such, is exposed to numerous risks and uncertainties that are not uncommon to other companies in the same industry. 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 available to the Company for further exploration programs, or, if such exploration programs are successful, for the development of economic ore bodies and commencement of commercial production thereon, are the issuance of equity capital or offering by the Company of an interest in its properties to another party, to be earned by carrying out further exploration or development on said properties. 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, in the future. At this time, management 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 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 six month period ended June 30, 2011, the Company paid:

$48,000 (2010 - $47,500) for geological and corporate services provided by a director also serving as Chief Executive Officer of the Company.

$54,000 (2010 - $52,000) f or professional services provided by a director also serving as President of the Company.

$51,000 (2010 - $50,500) for professional services provided by a director also serving as Chief Financial Officer of the Company.

$45,000 (2010 - $39,500) for professional services provided by a director also serving as Corporate Secretary of the Company.

$34,966 for exploration project evaluation and consulting services to which a director of the Company is a partner.

Included in the account receivable for six month period ended June 30, 2011 is $27,194 for shared office overhead from a Company related by virtue of common directors.

Events After the Reporting Date

There were no subsequent events following June 30, 2011.

Outstanding Share Data

As at August 26, 2011, the Company had outstanding:

54,417,742 issued and outstanding common shares
22,123,844 share purchase warrants
3,870,000 directors' & employee incentive stock options

Other Information

The Company has designed and put in place internal controls over financial reporting. 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 financial reporting and for the preparation of interim and annual financial statements in accordance with Canadian GAAP. The Company's 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 the Company's size.

Transition to International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board announced 2011 as the transition date for publicly-listed companies to begin using International Financial Reporting Standards ("IFRS") for financial reporting and financial statement preparation, replacing Canada's own generally accepted accounting principles. The implementation of IFRS for public companies is set for fiscal years beginning on or after January 1, 2011.

The financial statements of the Company for the year-ending December 31, 2011 will be prepared in accordance with International financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian "GAAP"). The condensed consolidated interim financial statements for the period ended March 31, 2011 have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. They are the Company's first IFRS condensed consolidated interim financial statements for the period covered by the first annual financial statements to be presented in accordance with IFRS for the year ending December 31, 2011 and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. They do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year end December 31, 2010 and the accompanying notes included.

IFRS 1 requires that comparative financial information be provided. As a result the first date at which the Company has applied IFRS was January 1, 2010 (the “Transition Date”). IFRS 1 generally required that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles.

Exploration and Evaluation Assets

IFRS 6, “Exploration for and Evaluation of Mineral Resources” allows the Company to follow an approach similar to Canadian GAAP, and therefore, exploration and evaluation expenditures can be either expensed or capitalized. The IFRS applies to expenditures after the pre-acquisition stage until such time as the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. IFRS 6 requires exploration and evaluation asset to be tested for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.

The Company has chosen to capitalize its exploration and evaluation expenditures. Applying this accounting policy had no impact on transition to IFRS.

Optional Exemptions

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Share-Based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Mandatory Exceptions

a) Estimates

In accordance with IFRS 1, the Company’s estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company’s IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

b) Reconciliation of IFRS and Canadian GAAP

The Company’s adoption of IFRS had no impact on the unaudited condensed consolidated interim statements of financial position, comprehensive loss, equity or cash flows and the audited condensed consolidated statement of financial position as at December 31, 2010 and opening balances at January 1, 2010.

Reconciliation of comprehensive loss and equity

Comprehensive Loss

	Three Months Ended June 30, 2010	Six Months Ended June 30, 2010	Year Ended December 31, 2010
Comprehensive loss under Canadian GAAP	$179,610	$351,355	$2,178,159
Adjustment for differing accounting treatments	-	-	-
Comprehensive loss under IFRS	$179,610	$351,355	$2,178,159

Equity	January 1, 2010	June 30, 2010	December 31, 2010
Total shareholders' equity under Canadian GAAP	$1,820,837	$2,253,900	$4,359,126
Adjustments for differing accounting treatments	-		-
Total equity under IFRS	$1,820,837	$2,253,900	$4,359,126