



(a capital pool company)

1st Quarter Interim Financial Statements -March 31, 2007
Unaudited-Prepared by Management
not reviewed by an independent auditor

ARTHA RESOURCES CORPORATION

Form 51-102F1

MANAGEMENT DISCUSSION AND ANALYSIS THREE MONTHS ENDED MARCH 31, 2007

General

The following discussion and analysis, prepared as of May 30, 2007, should be read in conjunction with the Company's financial statements for the period ended March 31, 2007 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 30, 2007. 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. The Company 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

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

	Quarter Ended March 31, 2007	Quarter Ended December 30, 2006	Quarter Ended September 30, 2006	Quarter Ended June 30, 2006	Quarter Ended March, 31, 2006
Total revenues	\$3,014	\$3,250	\$3,632	\$1,805	\$ 0
Net loss	\$1,570	\$45,928	\$11,249	\$37,770	\$8,323
Net loss per share	\$0.0002	\$0.007	\$0.002	\$0.009	\$0.003
Total assets	\$336,907	\$341,862	\$380,561	\$409,942	\$149,177
Total liabilities	\$9,725	\$13,110	\$5,206	\$23,338	\$0

For the period from incorporation to March 31, 2007 the Company reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Results of Operations

As at March 31, 2007, the Company had no operations. For the three month period ended March 31, 2007, the Company had interest income of \$3,014 and expenses of \$4,455 for the net loss of \$1,570.

Liquidity and Capital Resources

As at March 31, 2007, the Company had working capital of \$327,182, 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 May 30, 2007, the Company had outstanding:
6,654,951 issued and outstanding common shares;
600,000 directors & employee incentive stock options;
345,050 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.

Subsequent Events

Subsequent to March 31, 2007, the Company issued 2,700 common shares for proceeds of \$270 pursuant to the exercise of agent warrants.

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.