

(an Exploration stage company)

MANAGEMENT DISCUSSION AND ANALYSIS
For the Period Ended June 30, 2014

ARTHA RESOURCES CORPORATION

Form 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED JUNE 30, 2014

The following discussion and analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended June 30, 2014 and the audited consolidated financial statements for the year ended December 31, 2013 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

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 could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

1.1 Date of This Report

September 26, 2014

1.2 Overall Performance

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 principal business activity is the exploration and evaluation of mineral properties located in various provinces in Argentina. The Company is currently cease-traded pending resolution of certain filing requirements.

The registered address, head office, principal address and records office of the Company is Suite 355 – 1350 Burrard Street, Vancouver, BC, V6Z 0C2, Canada.

Quarter Business Highlights

During the period the Company focused on reviewing its options for moving forward given the difficult market conditions for junior exploration.

On July 5, 2013 the Company advised Cardero Resources Corp. that it is seeking a 12 month extension to the Option Agreement through Force Majeure as a result of an Intervening Event on the Pirquitas Property. From May 2011 to May 2012, Artha was not able to access the Pirquitas Property due to permitting issues and constraints which were out of the Company's control. Pursuant to the agreement, a party will not be liable for its failure to perform any of its obligations thereunder due to a cause beyond its control and all the time limits imposed by the Agreement will be extended by a period of equivalent to the period of delay resulting from the Intervening Event.

The Company was notified of a cease trading order issued by the British Columbia Securities Commission due to the Company's failure to file audited annual financial statements and the associated management's discussion and analysis (MDA) for the year ended December 31, 2013, and the related certifications. As a result of the cease trade order, the TSX Venture Exchange (the "TSXV") has

suspended trading in the Company's common shares. The Company has since filed the financial statements and the MDA for the year ended December 31st and the Company is now actively working on its reinstatement application.

Sale of Pirquitas North

The Company assumes DRI's pre-existing option to acquire a 55% interest by incurring exploration expenditures of US$1.0 million over 4 years. Upon this interest having been earned, the Company and the optioner will enter into a Joint Venture and, thereafter, each party will be required to contribute its proportional share of further expenditures or be diluted accordingly.

On October 24, 2013 the Company and the optionor agreed that the optionor would proceed to negotiate and complete the sale of the Pirquitas North property to a third party and that the Company would receive 25% of the net proceeds in consideration for allowing the property option agreement to be terminated by the optionor. In the event that there was not an agreement in place to sell the property by April 24, 2014, the Company would have the right to earn their 55% interest by incurring US$464,008 which is the balance of the required exploration expenditures.

On April 23, 2014, the optionor entered into an agreement to sell 100% of the Pirquitas North property to a third party. At December 31, 2013, the Company wrote down the carrying value to $200,000, being the Company's anticipated proceeds from the termination of the property option agreement. The proceeds from the termination were subsequently confirmed to be $234,918 (USD$212,942), which is included in receivables as at June 30, 2014. The carrying value of Pirquitas North has been adjusted in the current period to reflect proceeds received subsequent to June 30, 2014 resulting in a recovery on exploration and evaluation assets of $34,918.

Additional details can be reviewed in the news releases published on SEDAR at www.sedar.com.

Exploration Properties

Argentina – Gold, Silver and Base Metal Properties

Summaries of Artha's properties and the related agreements regarding Farm-in and Options can be found in the June 30, 2014 unaudited condensed consolidated interim financial statements filed on SEDAR at www.sedar.com.

1.3 Selected Annual Information

Information regarding annual results is included in the consolidated financial statements and related management's discussion and analysis for the year ended December 31, 2013. Over the past three years, the Company has been managing its exploration and evaluation asset portfolio in Argentina; The Company does not generate revenues and has not held any long-term liabilities in the years ended December 31, 2013, 2012 or 2011.

1.4 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, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	15,181	(16,977)	5,171,869	227,508
Basic and diluted loss per share	$0.00	$(0.00)	$0.07	$0.00
Total assets	737,929	748,568	726,945	5,469,042
Total long-term liabilities	-	-	-	-

	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012
Revenue	$ -	$ -	$ -	-
Net loss and comprehensive loss	235,824	135,038	759,177	161,501
Basic and diluted loss per share	0.01	0.00	0.01	0.00
Total assets	5,699,621	5,682,597	5,684,568	5,543,814
Total long-term liabilities	-	-	-	-

1.5 Results of Operations

For the six months June 30, 2014 and 2013

The net income for the period ended June 30, 2014 was $15,181 (2013 – loss of $235,824). Overall, corporate activity for the period has decreased resulting in significant reduction in expenses compared to the previous period. Recurring overhead expenses and exploration and promotional activity has declined in response to the current market conditions. Significant changes are as follows:

Office and general has decreased to $72 from $14,747 in the comparative year as a result of downsizing the Company's facilities. Consulting expenses have also decreased to $Nil from $167,445 in the comparative period because no executive management is receiving compensation. It is noted that a portion of the consulting fees accrued in the six months ended for management were forgiven and reversed later in the fiscal year ended December 31, 2013.

During the fourth quarter of 2013 the Company recorded an impairment charge of $4,949,237 as a result of the existence of indicators of impairment of the Company's exploration properties, resulting in the carrying values of all properties being written down to their net realizable value. In the six months ended June 30, 2014, the Company realized a recovery of $34,918 related to the confirmation of proceeds on the subsequent sale agreement and proceeds on transaction of the Pirquitas North property.

Net cash outflow from operating activities for the period ended June 30, 2014 was $1 (2013 - $24,551) related to the management of basic corporate expenses and working capital.

For the three months ended June 30, 2014 and 2013

The net loss for the three month period ended June 30, 2014 was $1,796 (2013 - $100,786). As discussed above, corporate activity for the period has decreased. Property costs of $6,800 (2013 - $Nil) relate to the maintenance of the Argentine properties.

1.6 Liquidity

As at June 30, 2014, the Company had a working capital deficiency of $680,212 (December 31, 2013 – 895,393). 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. The Company will also consider exploration partnerships or sale of assets. There can be no assurance that the Company will succeed in obtaining additional financing at the time required by the Company. The Company does not currently hold any long-term debt and is accordingly not subject to any externally imposed capital requirements.

1.7 Capital Resources

All future payments under mineral property agreements are made at the option of the Company. The Company must meet certain expenditure and payment requirements as described in the exploration and evaluation asset note of the condensed consolidated interim financial statements for the period ended June 30, 2014 in order to maintain title to its properties. Additional funding will be required in order to complete exploration programs in the future. The Company may attempt to issue new shares, issue debt and enter into agreements with respect to its properties in order to obtain funding.

1.8 Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

Transactions with related parties

There were no related party transactions in the six months ended June 30, 2014.

During the period ended June 30, 2013, the Company accrued $60,000 for consulting fees provided by a director also serving as Chief Executive Officer, and $99,000 for professional services provided by a company of which two directors are controlling shareholders. These transactions are included in the operating expenses for the three months ended June 30, 2013 and were forgiven later in the fiscal year ended December 31, 2013.

Due to related parties

As at June 30, 2014, amounts due to related parties was $310,186 (December 31, 2013 - $320,186) for services detailed above and are included in accounts payable and accrued liabilities.

Loan from related party

During the year ended December 31, 2013, the Company received an unsecured, non-interest bearing loan of $10,000 from a company with common directors. The loan has no fixed repayment terms.

During the year ended December 31, 2012, the Company received a short-term, unsecured, non-interest bearing loan of $12,000 from a private company with common directors. This amount is included in accounts payable and accrued liabilities. The loan had no fixed repayment terms, and was repaid during the year ended December 31, 2013.

Due from related party

During the year ended December 31, 2013, Company recovered $6,102 in shared office cost from a company with directors in common. The related company is in the exploration stage and the timing of full repayment is uncertain. Therefore, at December 31, 2013, the Company recorded an impairment of $16,801 reducing the carrying value to $25,000.

1.10 Proposed Transactions

There are no proposed transactions other than as disclosed elsewhere in this document.

1.11 Changes in Accounting Policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2013, except for the adoption of new standards and interpretations effective as of January 1, 2014.

New standards, interpretations and amendments adopted

As of January 1, 2014, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, contingent liabilities and contingent assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

New standards not yet adopted

IFRS 9 *Financial Instruments (Revised)*

IFRS 9 was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing recognition requirements from IAS 39 *Financial instruments: recognition and measurement*. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

1.12 Financial and Other Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and receivables. Cash deposits are maintained with Canadian, United States and Australian financial institutions of reputable credit and are redeemable on demand. Receivables consist primarily of amounts due from related companies that are in the exploration stage increasing credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. The Company is engaged in ongoing evaluation of opportunities to improve its financial position which includes, but is not limited to, additional equity financings, obtaining exploration partners and/or the sale of assets. At June 30, 2014, the Company had a working capital deficiency of $680,212.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Foreign exchange risk

The Company's exploration work is conducted in Argentina. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Argentina and are denominated in either United States dollars or Argentine Pesos. Additionally, option payments on mineral properties are payable in United States dollars. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest income is not material to the Company. The Company has no outstanding debt subject to interest. Accordingly, the Company does not believe it is exposed to significant interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices, particularly those included in its exploration and evaluation asset portfolio. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

1.13 Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of this report:

Common shares	73,179,272
Stock options	3,720,000
Warrants	3,430,000

1.14 Risks and Uncertainties

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to Artha's business, actually occur, Artha's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Artha will require additional funding.

The Company has historically relied upon equity subscriptions to satisfy its capital requirements and will likely continue to depend upon these sources to finance its activities. There can be no assurances that the Company will be successful in raising the desired level of financing on acceptable terms.

Artha will require various permits to enable it to conduct its current and anticipated future operations.

The Company's current and anticipated future operations, including further exploration and development activities and the commencement of production from the Company's portfolio of exploration and evaluation assets in Argentina requires the granting of the necessary permits from various federal, state and local authorities and communities. The granting, continuing validity and enforcement of the terms of such concessions and permits are, as a practical matter, often subject to the discretion of the applicable governments or government officials. There can be no assurance that all concession and permits that the Company requires will be obtainable on reasonable terms, or at all, or will continue to be valid. Further, delays or failure to obtain such concession and permits, the withdrawal, expiry or non-renewal of existing concessions and permits, or failure to comply with the terms of such concessions and permits could have a material adverse impact on the Company.

Artha is subject to government regulation

The Company's mineral exploration is, and any development activities will be, subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Exploration, development and mining activities can be hazardous and involve a high degree of risk.

The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. Milling operations, if any, are subject to various hazards, including, without limitation, equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and legal liability.