

(an Exploration stage company)

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014

ARTHA RESOURCES CORPORATION

Form 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014

The following discussion and analysis should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2014 and 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

April 24, 2015

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 registered address, head office, principal address and records office of the Company is Suite 415 – 1040 West Georgia Street, Vancouver, BC V6E 4H1, Canada.

Business Highlights

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

Sale of Pirquitas North

The Company had an option on the Pirquitas North property, Argentina, to acquire a 55% interest by incurring exploration expenditures of US$1.0 million over 4 years.

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.

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 received as $234,918 (USD$212,942). The carrying value of Pirquitas North has been adjusted in the current year to reflect proceeds received 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 December 31, 2014 consolidated 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, 2014. Over the past three years, the Company has been developing its exploration and evaluation asset portfolio in Argentina; consequently, its capitalized mineral properties and asset base have increased over this time frame. The Company does not generate revenues and has not held any long-term liabilities in the years ended December 31, 2014, 2013 or 2012.

	December 31, 2014	December 31, 2013	December 31, 2012
Revenue	$ -	$ -	$ -
Net loss and comprehensive loss	720,201	5,278,229	759,177
Basic and diluted loss per share	0.10	0.74	0.11
Total assets	536,186	726,945	5,684,568
Total liabilities	1,549,640	1,028,698	720,092

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.

	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	647,755	74,242	15,181	(16,977)
Basic and diluted loss per share	0.09	0.01	0.00	(0.00)
Total assets	536,186	594,788	737,929	748,568
Total long-term liabilities	-	-	-	-

	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
Revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss	4,682,356	225,011	235,824	135,038
Basic and diluted loss per share	0.66	0.03	0.03	0.02
Total assets	726,945	5,469,042	5,699,621	5,682,597
Total long-term liabilities	-	-	-	-

1.5 Results of Operations

For the years December 31, 2014 and 2013

The net loss for the year ended December 31, 2014 was $720,201 (2013 – $5,278,229). Overall, corporate activity for the year has decreased resulting in significant reduction in expenses compared to the previous year. 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 $59,617 from $104,122 in the comparative year as a result of downsizing the Company's facilities. Consulting expenses have also decreased to $Nil from $11,395 in the comparative year because no executive management is receiving compensation.

During the year ended December 31, 2014 the Company recorded an impairment charge of $588,500 (2013 - $5,055,597), 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 year ended December 31, 2014, the Company realized a recovery of $34,918 related to the confirmation of proceeds on the sale agreement related to the Pirquitas North property. All costs related to the properties of the Company were charged to property costs in the statement of loss and comprehensive loss in order to maintain management's estimated carrying value of the Company's exploration and evaluation assets. The Company incurred property costs of $598,235 which included: issuing 1,700,000 common shares valued at $8,500, and the recognition of a liability for a firm expenditure commitment on a property of $580,000.

Net cash outflow from operating activities for the year ended December 31, 2014 was $204,143 (2013 - $36,235) related to the management of basic corporate expenses and working capital. In the year ended December 31, 2014, the Company settled some outstanding payables upon receipt of the sale proceeds of Pirquitas North.

Net cash inflow from investing activities for the year ended December 31, 2014 was $234,918 (2013 - $Nil) related to the proceeds from selling off the Pirquitas North property.

For the three months ended December 31, 2014 and 2013

The net loss for the three month period ended December 31, 2014 was $647,755 (2013 - $4,682,356). As discussed above, corporate activity for the period has decreased. Property costs of $598,235 (2013 - $Nil) relate to the maintenance of the Argentine property and the recognition of a liability for a firm expenditure commitment on a property of $580,000.

1.6 Liquidity

As at December 31, 2014, the Company had a working capital deficiency of $1,513,454 (December 31, 2013 – $1,001,753). 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.

Subsequent to December 31, 2014, the Company enter into debt settlement agreements with a number of related party and arms-length creditors. Pursuant to such agreements, with a settlement cut-off date of December 31, 2014, the Company settled $713,109 of outstanding debts for consideration of the issuance of 911,388 common shares and cash payments totalling $46,468.

On April 23, 2015, the Company and Teck Argentina Ltd. ("Teck") agreed to terminate the Aguilar option agreement. As consideration, the Company has agreed to pay Teck US$20,000 and issue to Teck 1,500,000 units (the "Settlement Units") at $0.12 per unit. Each Settlement Unit will consist of one common share of the Company and one-half of one common share-purchase warrant, with each whole warrant entitling Teck to purchase one common share of the Company at a price of $0.18 per share for a period of 24 months from the date of issuance. The Company has also agreed to pay Teck up to an additional US$20,000 to cover future environmental assessment costs relating to the Aguilar Property. The settlement eliminates the Company's liability of US$600,000 ($696,000) relating to the firm expenditure commitments and the Company's obligation to complete a minimum of 4,000 meters of diamond drilling or combination RC/diamond drilling on the Aguilar Property prior to October 31, 2015.

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 consolidated financial statements for the year ended December 31, 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

During the year ended December 31, 2014, the Company accrued $5,741 (2013 - $Nil) for property costs provided by a Company controlled by a director and officer of the Company.

During the year ended December 31, 2013, the Company paid or accrued $8,200 for professional services provided by a former director and Chief Financial Officer of the Company.

Due to related parties

As at December 31, 2014, amounts due to related parties was $296,555 (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 nor any security pledged against it.

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, the 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 against the receivable reducing the carrying value to $25,000 which was received in the year ended December 31, 2014.

1.10 Proposed Transactions

Acquisition of Cardero Argentina, S.A.

On March 27, 2015, the Company entered into a definitive purchase agreement with Cardero Resource Corp. ("Cardero") whereby the Company will acquire all of the issued and outstanding shares of Cardero Argentina, S.A. ("Cardero Argentina") (the "Transaction"). As consideration for the acquisition, as well as for services provided by Cardero to the Company in connection with the Transaction, the Company will pay / issue to Cardero US $50,000 cash and 21,953,781 common shares. The Transaction will result in a reverse-takeover of the Company. Cardero Argentina is a mineral exploration company with properties located in Argentina.

Concurrent financings

In connection with the transaction, the Company intends to complete private placements for proceeds of up to $1,000,000, including a bridge financing of $50,000 at a price of $0.08 per unit (the "Bridge Financing Units") to cover certain costs associated with the Transaction and a concurrent private placement of up to $950,000 at a price of $0.10 per unit (the "Concurrent Financing Units"). Each Bridge Financing Unit will consist of one common share of the Company and one-half of one share-purchase warrant, each whole warrant entitling the holder to purchase one common share of the Company at a price of $0.12 per share for a period of 24 months from the closing of the bridge financing. Each Concurrent Financing Unit will consist of one common share of the Company and one whole share-purchase warrant, each warrant entitling the holder to purchase one common share of the Company at a price of $0.15 per share for a period of 24 months from the closing of the concurrent financing.

The closing of the Transaction is subject to regulatory and shareholder approval.

1.11 Changes in Accounting Policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those detailed in Note 3 of the accompanying consolidated financial statements for the year ended December 31, 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 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 December 31, 2014, the Company had a working capital deficiency of $1,513,454.

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 and reflects a ten for one share consolidation completed on February 5, 2014:

Common shares	8,229,315
Stock options	332,500

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.