



ARRIS HOLDINGS INC.

Financial Statements

Years ended September 30, 2011 and 2010

(Expressed in Canadian Dollar)

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ACAL GROUP
CHARTERED ACCOUNTANTS
PCAOB & CPAB Registrant

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Arris Holdings Inc.

We have audited the accompanying financial statements of Arris Holdings Inc. ("the Company"), which comprise the balance sheets as at September 30, 2011 and September 30, 2010 and the statements of operations, comprehensive loss, shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arris Holdings Inc. as at September 30, 2011 and September 30, 2010, and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Arris Holdings Inc. has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"ACAL Group"
Chartered Accountants

Vancouver, British Columbia
January 24, 2012

ARRIS HOLDINGS INC.

Balance Sheets

(Expressed in Canadian Dollars)

	September 30, 2011	September 30, 2010
Assets		
Current Assets		
Cash	\$ 1,686	\$ -
Investments (Note 4)	-	1,063,260
Notes receivable (Note 7)	30,000	50,736
Hamonized sale taxes receivable	3,447	4,936
	35,133	1,118,932
Resource property interests (Note 6)	10,907	-
Total assets	\$ 46,040	\$ 1,118,932
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness	\$ -	\$ 11,358
Accounts payable and accrued liabilities	44,417	40,177
	44,417	51,535
Shareholders' Equity		
Share capital (Note 5b)	914,413	1,544,000
Contributed surplus (Note 5e)	-	40,000
Deficit	(912,790)	(516,603)
	1,623	1,067,397
Total Liabilities and Shareholders' Equity	\$ 46,040	\$ 1,118,932

Nature and continuance operation and basic of presentation (Note 1)

See accompanying notes to financial statements

Approved on behalf of the Board of Directors

" Chand Jagpal "

Director

" Lucky Janda "

Director

ARRIS HOLDINGS INC.**Statement of Operations and Comprehensive Loss**

(Expressed in Canadian Dollars)

	Years Ended September 30,	
	2011	2010
<hr/>		
Expenses		
Consulting	\$ 60,050	\$ 35,500
Office and administration	15,648	1,667
Occupancy cost	24,000	10,000
Professional fees	25,135	20,507
Trust and filing fees	13,104	17,194
<hr/>		
Loss before other items	(137,937)	(84,868)
Gain (loss) from disposition of short term investments (Note 4)	(262,750)	641
Loss from market value adjustment of investments	—	(432,376)
Gain from corporate restructuring (Note 3)	4,500	—
<hr/>		
Net loss and comprehensive loss for the year	(396,187)	(516,603)
Basic and diluted loss per share	\$ (0.02)	\$ (0.05)
<hr/>		
Weighted average number of common shares outstanding	20,871,043	10,224,151
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See accompanying notes to financial statements

ARRIS HOLDINGS INC.**Statements of Shareholders' Equity****September 30, 2011 and 2010**

Expressed in Canadian Dollars except for number of shares

	Number of Outstanding Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
		\$	\$	\$	\$
Incorporation on October 30, 2009	1	1	—	—	1
Share cancellation	(1)	(1)	—	—	(1)
Share issuance - plan of arrangement	17,583,372	1,484,000	—	—	1,484,000
Share issuance - private placement	2,000,000	60,000	40,000	—	100,000
Net loss for the first year ended September 30, 2010	—	—	—	(516,603)	(516,603)
Balance, September 30, 2010	19,583,372	1,544,000	40,000	(516,603)	1,067,397
Share issuance - warrants exercise (Note 5c)	2,000,000	180,000	(40,000)	—	140,000
Corporate restructuring (Note 5b)	—	(809,587)	—	—	(809,587)
Net loss for the year	—	—	—	(396,187)	(396,187)
Balance, September 30, 2011	21,583,372	914,413	—	(912,790)	1,623

See accompanying notes to financial statements

ARRIS HOLDINGS INC.

Statement of Cash Flows

(Expressed in Canadian Dollars)

	Years Ended September 30,	
	2011	2010
Cash (used in) provided by:		
Operating activities		
Loss for the period	\$ (396,187)	\$ (516,603)
Items not involving cash		
Fair value adjustment of investments	-	432,376
Loss (gain) from disposition of investments	262,750	(641)
Changes in non-cash operating working capital		
Hamonized sale taxes receivable	1,489	(4,936)
Investments	(3,169)	(10,995)
Accounts payable and accrued liabilities	4,239	40,177
Cash used in operating activities	(130,878)	(60,622)
Financing activities		
Share cancellation	-	(1)
Share issuance (Note 3b)	140,000	100,001
Cash provided by financing activities	140,000	100,000
Investing activities		
Acquisition of resource property interests	(10,907)	-
Cash transferred to Cielo under the Arrangement Agreement (Note 3)	(5,907)	-
Changes in note receivable	20,736	(50,736)
Cash provided by (used in) investing activities	3,922	(50,736)
Increase (decrease) in cash	13,044	(11,358)
Cash (bank indebtedness), beginning of period	(11,358)	-
Cash (bank indebtedness), end of period	\$ 1,686	\$ (11,358)
Supplementary information:		
Cash paid for interest expense	-	-
Cash paid for income taxes	-	-
Non-cash transactions:		
Issuance of shares for the acquisition of the investments	-	1,484,000

See accompanying notes to financial statements

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND BASIC OF PRESENTATION

Arris Holdings Inc. (the “Company” or “AHI”) was incorporated on October 30, 2009 in British Columbia, Canada. The Company’s principal activity was the development of its investment in marketable securities. During the year ended September 30, 2011, the Company transferred its investment in marketable securities to its former subsidiary Cielo Gold Corp. through a corporate restructure (Note 3). As a result, the Company has become an exploration stage company with principal activities of mineral properties exploration and development (Note 6). The Company’s common shares started trading on Canadian National Stock Exchange on April 14, 2009 under the symbol “AHI”, which was subsequently changed to “AAF”. Additional information of the Company is available at www.sedar.com.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company’s continuing operations, as intended, and its financial success may be dependent upon the extent to which it can discover mineralization and the economic viability of developing any such additional properties. The discovery of mineralization and the development of properties to the point where they may be sold, optioned or joint ventured may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. As an exploration phase company, the company does not anticipate producing revenues for some time, other than from the sale, optioning or joint venturing of any mineral properties it may acquire. The sale value of any mineralization discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the contained metals. These factors raise substantial doubt about the Company’s ability to continue as a going-concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses, gain and loss during the reporting periods. Actual results could differ from these estimates.

Significant areas requiring the use of management estimates are assumptions used in bifurcating warrants attached to units sold in private placements, assumptions used in determining the fair value of financial instruments, including the investments held by the Company, and future income tax asset valuation allowances, and the assumptions used to consider the impairment of the resource property interests.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b. Future income taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

c. Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Basic loss per share is calculated using the weighted-average number of shares outstanding during the period.

d. Financial instruments

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash, investments, bank indebtedness as held-for-trading; receivables, note receivable, as loans and receivables. Accounts payable & accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. For the year ended September 30, 2011, the Company did not have opening or closing balances for the account of “accumulated other comprehensive income or loss”, and had no “other comprehensive income or loss” transactions.

The CICA Handbook Section 3862, Financial Instruments – Disclosure, requires an entity to classify fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value. The levels and inputs which may be used to measure fair value are as follows:

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d. Financial instruments (cont'd)

Level 1 – fair values are based on quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values are based on inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – applies to assets and liabilities for inputs that are not based on observable market data, which are unobservable inputs.

Financial instruments classified as level 1 include cash and investments

e. Resources property interests

The cost of unproven mineral rights and their related direct exploration costs are deferred until the properties are placed into production, sold or abandoned. These deferred costs will be amortized on the unit-of-production basis over the estimated useful life of the properties following the commencement of production, or written-off if the properties are sold, allowed to lapse or abandoned.

Cost includes any cash consideration and the fair market value of any shares issued on the acquisition of mineral property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made. The recorded amounts of property acquisition costs and their related deferred exploration costs represent actual expenditures incurred and are not intended to reflect present or future values.

The Company reviews capitalized costs on its mineral rights on a periodic basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property. Management's assessment of the property's estimated current fair market value is also based upon a review of other property transactions that have occurred in the same geographic area as that of the property under review. Administrative costs are expensed as incurred.

f. Asset retirement obligation

The fair value of a liability for an asset retirement obligation is recognized when a reasonable estimate of the fair value of the obligation can be made. The asset retirement obligation is recorded as a liability with corresponding increases to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period to period changes in the liability resulting from the passage of time and from revisions to either expected payment dates or the amounts comprising the original estimate of the obligation. As at September 30, 2011, the company does not have any asset retirement obligations.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Foreign currency translations

The Company's functional currency is the Canadian dollar. Transactions recorded in United States dollars have been translated into Canadian dollars using the temporal method as follows:

- i) Monetary items at the rate prevailing at the balance sheet date.
- ii) Non-monetary items at the historical exchange rate.
- iii) Revenue and expense at the average rates in effect during the year.

Gains or losses arising from translation are included in the statements of operations.

h. Investments

At each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements as changes in the net carrying value with the offsetting charge or credit recorded in current income.

- *Publicly-traded investments:*

- i) Securities, held in long or short positions, that are traded on a recognized securities exchange for which no sales restrictions apply are recorded at the values based on the closing price on the balance sheet date if there are trades on the balance sheet date; or the last quoted bidding price (for long positions)/the last asking prices (for short position) at the balance sheet date if there are no trades at the balance sheet date.
- ii) Securities that are traded on a recognized exchange but that are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee company, its stage of development, market potential, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments.
- iii) Options and warrants of publicly-traded securities which do not have a quoted bid price received for services rendered are recorded using accepted valuation techniques if sufficient and reliable observable market inputs are available.

- *Privately-held investments:*

- i) Securities in privately-held companies are recorded at cost unless an unusual upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated, professional investor at a transaction price higher than the Company's carrying value. Downward adjustments to carrying value are made when there is evidence of other than a temporary decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition.
- ii) Options and warrants of privately-held securities are carried at cost unless there is an upward or downward adjustment supported by pervasive and objective evidence such as significant equity

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

h. Investments (cont'd)

financing by an unrelated, professional investor at a transaction price higher or lower than the Company's carrying value

The resulting values may differ from values that would be realized had a ready market existed. The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying value based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. The amounts at which the Company's privately held investments could be disposed of may differ from the carrying value assigned due to the lack of a liquid market for such investments.

i. Fair value of warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value using the residual method to determine the fair value of warrants issued. Warrants issued to brokers are evaluated by using the Black- Scholes model.

j. New accounting pronouncements not yet adopted

International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board will require all public companies to use IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal year. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of the fiscal year ending September 30, 2012 when the Company will prepare both the current and comparative financial information using IFRS. In light of these requirements, the Company has substantially completed a four-phase plan to ensure successful conversion to IFRS. The Company is currently finalizing the assessment of the impacts of the IFRS conversion and the initial adoption alternatives with the assistance from the external auditor.

Business Combination, Consolidated Financial Statements and Non-controlling interest

For interim and annual financial statements relating to fiscal years commencing on or after January 1, 2011, the Company will be required to adopt new CICA Section 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests". Section 1582 replaces existing Section 1581 "Business Combinations", and Sections 1601 and 1602 together replace Section 1600 "Consolidated Financial Statements". The adoption of Sections 1582 and collectively, 1601 and 1602 provides the Canadian equivalent to IFRS 3 "Business Combinations" and International Accounting Standard ("IAS") 27 "Consolidated and Separate Financial Statements" respectively. Management does not consider that the adoption of these standards will have a significant impact on the Company's financial statements.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

3. CORPORATE RESTRUCTURING

On March 1, 2011, the Company and its ex-wholly owned subsidiary Cielo Gold Corp. (“Cielo”), entered into an arrangement agreement (“Arrangement Agreement”) to proceed with a corporate restructuring by way of a statutory plan of arrangement (“Plan of Arrangement”) whereby Cielo would acquire an equity portfolio (the “Equity Portfolio”) of AHI in exchange for 21,583,372 common shares of Cielo (the “Cielo Shares”).

On June 9, 2011 (the “Effective Date”), Cielo received conditional listing approval from the Canadian National Stock Exchange, and the Company completed the transfer of AHI’ Equity Portfolio to Cielo in exchange for Cielo issuing the Cielo Shares to the Company as consideration for the Equity Portfolio. As a result, Cielo was spun out from AHI, ceased to be a subsidiary of AHI, and became a reporting issuer.

Details of the Equity Portfolio on the Effective Date are as follows:

	June 9, 2011 Carrying value of AHI being the Fair Value of the Equity Portfolio
Publicly traded common shares:	
Dessert Gold Ventures Inc. (300,000 shares)	330,000
Maxtech Ventures Inc. (440,000 shares)	352,000
Easymed Services Inc. (117,000 shares)	121,680
Share purchase warrants of public company	
Ona Power Corp. (2,800,000 share purchase warrants)	-
Cash:	5,906
	809,586

AHI and Cielo completed the Arrangement Agreement and proceeded with the distribution of the Cielo Shares to the AHI’s shareholders of record as at May 2, 2011 (the “Share Distribution Record Date”). These shareholders of record on the Share Distribution Record Date have received their pro-rata share of the Cielo Shares whereby each AHI’s shareholder has received one common share in the capital of Cielo for each AHI’s share held as of the Share Distribution Record Date. The Cielo Shares were delivered to AHI’s shareholders commencing July 28, 2011 (Note 5b).

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

4. INVESTMENTS

The continuity of the Company's investments as at September 30, 2011 is as follows:

Sept-30-2010			Addition		Disposition		June-30-2011		
Quantity	Fair Value		Quantity	Amount	Quantity	Amount	Quantity	Fair Value	
	\$			\$		\$		\$	
Publicly traded common shares									
Dessert Gold Ventures Inc.	300,000	339,000	-	-	300,000	330,000	-	-	(A)
Maxtech Ventures Inc.	440,000	444,400	-	-	440,000	352,000	-	-	(A)
Ona Power Corp.	2,798,000	195,860	200,000	9,085	2,998,000	164,594	-	-	(B)
Global Uranium Corp.	100,000	-	-	-	-	-	100,000	-	(C)
Easymed Services Inc.	-	-	117,000	158,679	117,000	121,680	-	-	(A)
Share purchase warrants of publicly traded shares									
Global Uranium Corp.	100,000	-	-	-	-	-	100,000	-	(C)
Ona Power Corp.	2,800,000	84,000	-	-	2,800,000	-	-	-	(A)
	1,063,260			167,764		968,274		-	

(A) The disposition of the shares and options is a result of transferring the Equity Portfolio to Cielo at the fair value of the Equity Portfolio in accordance with the Arrangement Agreement that is discussed in Note 3. The Company recognized \$222,399 losses to account for this transaction.

(B) All of Ona Power Corp.'s shares were sold for cash in open market at a loss of \$40,351 in current year.

(C) The fair value of Global Uranium's shares and options was \$nil as at September 30, 2011 because the trading of Global Uranium's common shares have been halted since September 28, 2010.

5. CAPITAL STOCK

- Authorized: unlimited number of common shares and Class A and Class B preferred shares without par value.
- Issued and outstanding:

In accordance with the Arrangement Agreement, the Company created a new class of common share (the "New Common Share") and a new class of preferred share (the "Class A Preferred Shares"). At the Effective Date, each common share of the Company was exchanged into one New Common Share and one Class A preferred share. The class of Common Share was eliminated and cancelled upon the completion of this share exchange. The continuity of the Company's share capital as at September 30, 2011 is as follows:

Common Share	Number	Amount (\$)
Balance, September 30, 2010	19,583,372	1,544,000
Issuance – warrant exercise (Note 5(c))	2,000,000	180,000
Cancellation – Arrangement Agreement	(21,583,372)	(1,724,000)
Balance, September 30, 2011	-	-

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

b. Issued and outstanding (continued)

New Common Share	Number	Amount (\$)
Balance, September 30, 2010	-	-
Issuance – Arrangement Agreement	21,583,372	914,413
Balance, September 30, 2011	21,583,372	914,413
Class A Preferred Shares		
Balance, September 30, 2010	-	-
Issuance – Arrangement Agreement	21,583,372	809,587
Redemption – Arrangement Agreement	(21,583,372)	(809,587)
Balance, September 30, 2011	-	-
Share capital, September 30, 2011		914,413

(i) The Company redeemed all the outstanding Class A Preferred Shares with the distribution of the Cielo Shares (Note 4). Upon the completion of the redemption, the Class A Preferred Share was cancelled and eliminated.

c. Share purchase warrant:

Two million of the Company's outstanding share purchase warrants were exercised into the common shares in February, 2011 for gross proceeds totalling \$140,000. As a result, \$180,000 was credited to the Company's share capital to account for the \$140,000 gross proceeds received and the \$40,000 previously allocated to the account contributed surplus (Note 5e) upon the issuance of these warrants.

The continuity of outstanding share purchase warrants as at September 30, 2011 is summarized as follows:

	Number of Warrants	Exercise Price (\$)/share
Outstanding Warrants, September 30, 2010	2,000,000	0.07
Warrants exercise	(2,000,000)	0.07
Outstanding Warrants, September 30, 2011	-	-

d. Stock Options:

The Company has not granted any stock options since inception and there was no option outstanding as at September 30, 2011.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (Continued)

e. Contributed surplus:

The continuity of contributed surplus as at September 30, 2011 is summarized as follows:

	Amount (\$)
Balance, September 30, 2010	40,000
Warrants exercise	(40,000)
Balance, September 30, 2011	-

6. RESOURCE PROPERTY INTERESTS

On March 22, 2011 the Company acquired five mineral claims (the "Maggie Gold Property") located near Squamish, British Columbia from Choice Gold Corp. for cash consideration of \$7,500.

On February 9, 2011, the Company acquired two mineral claims (the "Gold Hill Property") covering areas located in Kamloop, British Columbia, through Cielo (its former wholly owned subsidiary), for \$5,000. In connection with this transaction, Cielo Corp. borrowed \$5,000 (Note 7) from AHI to complete this acquisition.

On June 9, 2011, Cielo was spun out from AHI and ceased to be a wholly subsidiary of the Company (Note 3). As a result The Gold Hill Property (the only property owned by Cielo) was deconsolidated from the Company's assets and the Company has recorded a disposition of the resources property interests at its carrying value (also the cost) accordingly. No gain or loss is recorded.

The Company has not implemented any exploration activities since acquisition and has not incurred exploration cost for both Gold Hill Property and Maggie Gold Property. The Continuity of the resources properties is as follows:

	Acquisition Cost (\$)	Accumulated Deferred Exploration Cost (\$)	Total (\$)
The Maggie Gold Property			
Balance, September 30, 2010	-	-	-
Changes during the period	7,500	3,407 (i)	10,907
Balance, September 30, 2011	7,500	3,407	10,907
The Gold Hill Property			
Balance, September 30, 2010	-	-	-
Acquisition (February, 2011)	5,000	-	5,000
Disposition (June 9, 2011)	(5,000)	-	(5,000)
Balance, September 30, 2011	-	-	-
Total, September 30, 2011	7,500	3,407	10,907

(i) The Company incurred \$3,407 renewal charges for the Maggie Gold Property.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

7. NOTE RECEIVABLE

Details of the note receivable as at September 30, 2011 are as follows:

Amount	Interest Rate	Terms	Collateral
\$ 5,000	Non-interest bearing	February 2, 2012	Un-secured (A)
\$ 25,000	Non-interest bearing	On-demand	Un-secured
\$30,000			

(A) The Company advanced Cielo Gold Corp., a former subsidiary \$5,000 in February 2011.

8. RELATED PARTY TRANSACTIONS

On May 1, 2010, AHI entered into a lease agreement and a consulting agreement with Cabmerl Industries Ltd. ("Cabmerl"), an entity that shares a common director with AHI. The monthly rent, and consulting fee is \$2,000 and \$5,000 respectively. The terms of these two agreements are not fixed and can be terminated with a thirty days notice. During the year ended September 30, 2011, AHI was charged \$24,000 (2010-\$10,000) rent and \$60,000 (2010-\$25,000) consulting fees by Cabmerl. The transactions with Cabmerl have occurred in the normal course of operations and have been measured at exchange amounts agreed by both parties. As at September 30, 2011, the Company's accounts payable and accrued liabilities balance included a \$33,000 payable balance owing to Cabmerl (September 30, 2010 -\$27,300). This related-party payable is un-secured and non-interest bearing.

9. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

As at September 30, 2011, the Company's financial instruments consist of cash, receivables, notes receivable, accounts payable and accrued liabilities; the fair values of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is subject to normal industry credit risks. The Company's other receivable balance consists mainly amounts outstanding on Input Tax Credits from Canada Revenue Agency which is considered with minimum credit risk.

The Company's notes receivable are unsecure. The Company's maximum exposure with respect to its note receivable is \$30,000. The Company is closely monitoring the status of the notes receivable to mitigate the related credit risk.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2011, the Company had a working capital deficiency of 9,284. To improve the liquidity, management is considering various options, including but not limit to debt or equity financing. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS *(continued)*

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not have instrument denominated in foreign currency and the currency risk is believed to be minimal.

Fair Value Measurement - The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments Disclosures" requires financial instruments measured at fair value classified into one of the three-level hierarchy (Note 2d) based upon the significance of inputs used in estimating.

The classifications as at September 30, 2011 are as follows:

	Level 1	Level 2	Level 3
Financial asset	\$	\$	\$
Cash	1,686	-	-

10. CAPITAL DISCLOSURES

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers the items included in shareholders' equity, investment and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debentures, sell assets to settle liabilities or return capital to its shareholders. Cash is deposited to a major Canadian chartered bank and is insured by the Canadian Deposit Insurance Corporation (CDIC). The Company is not subject to any external capital requirements.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

Years Ended September 30, 2011 and 2010

(Expressed in Canadian Dollars)

11. INCOME TAXES

A reconciliation of income taxes at the statutory rate is as follows:

	2011	2010
	\$	\$
Net loss before income taxes	(396,187)	(516,603)
Expected income tax recovery on an expected rate of 27% (2010 – 29%)	106,970	149,815
Net adjustment for non-deductible items	(97,470)	(65,844)
Change in enacted tax rates	(2,669)	(3,382)
Changes in valuation allowance	(6,831)	(80,589)
Total income tax expenses	-	-

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The significant components of the Company's future income tax assets are as follows:

	2011	2010
	\$	\$
Future income tax asset:		
Non-capital loss carry forward and marketable securities	87,420	80,589
Valuation allowance	(87,420)	(80,589)
Net future income tax asset	-	-

The net amount which would give rise to a future income tax asset has not been recognized as the Company is not assured that it is more likely than not that such benefit will be utilized in the future years. The deferred tax asset has been fully allowed for.

The Company has a non-capital loss of approximately \$217,000 that will expire in 2030 and 2031. The loss carry-forward is available to reduce taxable income in future years.

12. SEGMENT DISCLOSURE

The Company primarily operates in one reportable operating segment, being the acquisition, exploration and development of resource properties located in Canada.