ARRIS HOLDINGS INC.

Condensed Interim Financial Statements

Three and Six Months Ended March 31, 2012

(Unaudited)

(Expressed in Canadian Dollar)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements as at and for the three and six months ended March 31, 2012.

ARRIS HOLDINGS INC.

Condensed Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2012	September 30, 2011
			(Note 10)
		$	$
Assets			
Current assets			
Cash		11,952	1,686
Notes receivable	7,11	30,000	30,000
Harmonized sale taxes receivable		5,673	3,447
		47,625	35,133
Exploration and evaluation assets	6	10,907	10,907
Total assets		58,532	46,040
Liabilities and shareholders' equity (deficiency)			
Current liabilities			
Accounts payable and accrued liabilities	8	95,470	44,417
Shareholders' equity (deficiency)			
Share capital	5	914,413	914,413
Deficit		(951,351)	(912,790)
		(36,938)	1,623
Total liabilities and shareholders' equity (deficiency)		58,532	46,040

Nature of operation and basic of presentation *1*

Subsequent event *11*

See accompanying notes to the financial statements

Approved and authorized for issuance by the Board of Directors on May 15, 2012

"Chand Jagpal"
Director

"Rana Vig"
Director

ARRIS HOLDINGS INC.

Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011	Six Months Ended March 31, 2012	Six Months Ended March 31, 2011
		$	$	$	$
			(Note 10)		(Note 10)
Expenses					
Consulting	8	15,000	15,000	22,500	30,050
Office and administration		944	10,156	1,370	11,563
Occupany cost	8	6,000	6,000	12,000	12,000
Professional fees		4,655	3,175	7,175	6,275
Trust and filing fees		5,250	4,879	6,421	6,698
Loss before other items		(31,849)	(39,210)	(49,466)	(66,586)
Loss from disposition of investment	4	(1,595)	–	(1,595)	–
Gain (loss) from market value adjustment of investments		–	25,330	12,500	(9,705)
Net loss and comprehensive loss for the period		(33,444)	(13,880)	(38,561)	(76,291)
Loss per share, basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of outstanding shares		21,583,372	20,738,928	21,583,372	20,154,801

See accompanying notes to financial statements

Arris Holdings Inc.

Condensed Interim Statements of changes in Equity (Deficiency)

March 31, 2012

(Unaudited -Expressed in Canadian Dollars except for number of shares)

	Share capital				
	Number	**Amount**	**Reserve - warrants**	**Deficit**	**Total shareholders' equity (deficiency)**
		$	$	$	$
Balance, October 1, 2010	19,583,372	1,544,000	40,000	(516,603)	1,067,397
Shares issuance - warrant exercise	2,000,000	180,000	(40,000)	–	140,000
Loss and comprehensive loss for the period	–	–	–	(76,291)	(76,291)
Balance, March 31, 2011	21,583,372	1,724,000	–	(592,894)	1,131,106
Balance, October 1, 2011	21,583,372	914,413	–	(912,790)	1,623
Loss and comprehensive loss for the period	–	–	–	(38,561)	(38,561)
Balance, March 31, 2012	21,583,372	914,413	–	(951,351)	(36,938)

See accompanying notes to the financial statements

ARRIS HOLDINGS INC.

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

		Three Months Ended March 31,		Six Months Ended March 31,	
	Note	**2012**	**2011**	**2012**	**2011**
Cash (used in) provided by:		$	$	$	$
			(Note 10)		(Note 10)
Operating activities					
Loss for the period		(33,444)	(13,880)	(38,561)	(76,291)
Items not involving cash					
Fair value adjustment of investments	4	12,500	(25,330)	-	9,705
Changes in non-cash operating working capital					
Hamonized sale taxes receivable		(4,534)	1,484	(2,226)	(1,429)
Investments		-	-	-	(9,085)
Accounts payable and accrued liabilities		28,950	(56,650)	51,053	(32,977)
Cash provided by (used in) operating activities		3,472	(94,376)	10,266	(110,077)
Financing activities					
Shares issuance	5	-	140,000	-	140,000
Cash provided by investing activities		-	140,000	-	140,000
Investing activities					
Acquisition of exploration and evaluation assets	6	-	(5,000)	-	(5,000)
Changes in notes receivable	7	-	-	-	25,736
Cash provided by (used in) investing activities		-	(5,000)	-	20,736
Increase in cash		3,472	40,624	10,266	50,659
Cash (bank indebtedness), beginning of period		8,480	(1,323)	1,686	(11,358)
Cash, end of period		11,952	39,301	11,952	39,301
Supplementary information:					
Cash paid for interest expense		-	-	-	-
Cash paid for income taxes		-	-	-	-

See accompanying notes to financial statements

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 is an exploration stage company with principal activities of mineral properties exploration and development. The Company's common shares are currently traded on Canadian National Stock Exchange under the symbol AAF. Additional information of the Company is available at www.sedar.com.

These condensed interim financial statements for the three and six months ended March 31, 2012 (the "2012 Q2 Interim Financial Report") 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. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of compliance and conversion to International Financial Reporting Standards ("IFRS')

The Company prepares its financial statements in accordance with generally accounting principles in Canada as set out in the Handbook of the Canadian Institute of Chartered Accountants – Part 1 ("CICA Handbook"). The CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The Company has commenced reporting on this basis in its unaudited interim condensed consolidated financial statements as at and for the three months ended December 31, 2011. The accompanying 2012 Q2 Interim Financial Report has been prepared in accordance with IAS 34 - Interim Financial Reporting issued by the IAS. The impacts of IFRS transition are discussed in the Note 10 to this 2012 Q2 Interim Financial Report.

The Q2 Interim Financial Report does not include all of the information required in a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that the 2012 Q2 Interim Financial Report be read in conjunction with the audited annual financial statements of the Company for the most recent year ended September 30, 2011.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (Continued)

Basis of presentation

These financial statements are presented in Canadian dollar (the Company's functional currency), and have been prepared on accrual basis, and are based on historical costs, except for the information provided in the Statements of Cash Flows, and for various financial instruments which are measured at their fair values

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

Other than the initial adoption of IFRS as discussed in the above, the Company has not adopted new accounting standards since the most recent year ended September 30, 2011.

Unless otherwise noted, the following revised standards and amendments are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Company has not yet assessed the impact of these standards and or determined whether it will early adopt them.

IFRS 9, Financial Instruments, introduces new requirements for the classification and measurement of financial assets. IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

IFRS 10, Consolidated Financial Statements, requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 replaces SIC-12, Consolidation—Special Purpose Entities and parts of IAS 27, Consolidated and Separate Financial Statements.

IFRS 11, Joint Arrangements, requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12, Disclosure of Interests in Other Entities, establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (Continued)

IFRS 13, Fair Value Measurement, is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and does not always reflect a clear measurement basis or consistent disclosures.

IAS 1, Presentation of Financial Statements, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted.

IAS 19, Employee Benefits, has been amended to make significant changes to the recognition and measurement of defined benefit pension expense and termination benefits and to enhance the disclosure of all employee benefits. The amended standard requires immediate recognition of actuarial gains and losses in other comprehensive income as they arise, without subsequent recycling to net income. This is consistent with the Company's current accounting policy. Past service cost (which will now include curtailment gains and losses) will no longer be recognized over a service period but instead will be recognized immediately in the period of a plan amendment. Pension benefit cost will be split between (i) the cost of benefits accrued in the current period (service cost) and benefit changes (past-service cost, settlements and curtailments); and (ii) finance expense or income. The finance expense or income component will be calculated based on the net defined benefit asset or liability. A number of other amendments have been made to recognition, measurement and classification including redefining short term and other long-term benefits, guidance on the treatment taxes related to benefit plans, guidance on risk/cost sharing features, and expanded disclosures.

Other amendments - In addition, there have been amendments to existing standards, including IFRS 7 Financial Instruments: Disclosure, IAS 27, Separate Financial Statements, IAS 28, Investments in Associates and Joint Ventures, and IAS 32, Financial Instruments: Presentation. IFRS 7 amendments require disclosure about the effects of offsetting financial assets and financial liabilities and related arrangements on an entity's financial position. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 – 13. IAS 32 addresses inconsistencies when applying the offsetting requirements, and is effective for annual periods beginning on or after January 1, 2014.

4. INVESTMENTS

During the quarter ended March 31, 2012, the Company disposed all of its investments on hand, realized a gain of $10,905. As a result, the Company did not have any investment as at March 31, 2012.

(Unaudited – Expressed in Canadian Dollars)

5. CAPITAL STOCK

a. Authorized:

Unlimited number of common shares and Class A and Class B preferred shares without par value.

b. Issued and outstanding:

The Company's share capital has not changed since the most recent year ended September 30, 2011, being 21,583,372 common shares issued and outstanding with a value of $914,413.

c. Share purchase warrant:

The Company did not have outstanding share purchase warrants as at September 30, 2011 and March 31, 2012.

d. Stock Options:

The Company has not granted any stock options since inception and there was no option outstanding as at September 30, 2011 and March 31, 2012.

6. EXPLORATION AND EVALUATION ASSET

As at March 31, 2012, the Company's exploration and evaluation asset consisted of the mineral interest in the Maggie Gold Property. Details are as follows

The Maggie Gold Property	Acquisition Cost ($)	Accumulated Deferred Exploration Cost ($)	Total ($)
Balance, September 30, 2011	7,500	3,407	10,907
Changes during the period	-	-	-
Balance, March 31, 2012	7,500	3,407	10,907

7. NOTE RECEIVABLE

Details of the note receivable as at March 31, 2012 and September 31, 2011 are as follows:

Amount	Interest Rate	Terms	Collateral
$ 5,000	Non-interest bearing	(Note 11)	Un-secured
$ 25,000	Non-interest bearing	On-demand	Un-secured
$30,000			

8. RELATED PARTY TRANSACTIONS

Related party transactions that are not disclosed elsewhere in the Q2 Interim Financial Report are as follows:

On May 1, 2010, AHI entered into a lease agreement and a consulting agreement with Cabmerl Industries Ltd. ("Cabmerl"), an entity related to a director of 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 six months ended March 31, 2012, AHI was charged $12,000 rent (2011-$12,000) and $30,000 consulting fees (2011-$30,000) 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 March 31, 2012, the Company's accounts payable and accrued liabilities balance included a $75,000 payable balance owing to Cabmerl (September 30, 2011 -$33,000). This related-party payable is un-secured and non-interest bearing.

9. SEGMENT DISCLOSURE

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

10. TRANSITION TO IFRS

The Company adopted IFRS commencing October 1, 2011 with the transition date as October 1, 2010 ("Transition Date"), and the Company has prepared its IFRS opening statement of financial position as at that date. As a result, the Company will prepare for the first time its annual financial statements in accordance with IFRS for the year ending September 30, 2012. In preparing the opening IFRS statement of financial position as at October 1, 2010, comparative information for the three and six months ended March 31, 2011, and the financial statements for the year ended September 30, 2011, the Company is required to adjusted amounts reported previously in financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"), when necessary. Details of the IFRS transition are as follows:

<u>Reconciliation of financial statements reported under IFRS and Canadian GAAP</u>

a) Impacts to statements of comprehensive loss

IFRS 1 requires an entity to reconcile comprehensive income for prior periods presented under Canadian GAAP to IFRS as of the same date, accompanying with an explanation for any material adjustments to cash flows to the extent that they exist. The IFRS transition has no impact to the company's statements of comprehensive loss, and statements of cash flows for the three and six months ended March 31, 2011 and for the year ended September 30, 2011. Thus reconciliation is not necessary.

(Unaudited – Expressed in Canadian Dollars)

10. TRANSITION TO IFRS (Continued)

b) Impacts to statements of financial position

Under Canadian GAAP, the Company recorded the fair value of warrants issued in private placement to the account of contributed surplus. Under IFRS, these amounts have been specifically renamed to "reserve: warrants". Reconciliation between Canadian GAAP and IFRS is as follows:

	Canadian GAAP Contributed surplus	IFRS Reserve - warrants
	$	$
October 1, 2010	40,000	40,000
March 31, 2011	Nil	Nil
September 30, 2011	Nil	Nil

c) Impacts to statements of changes in equity (deficiency)

The adoption of IFRS did not have any impact on equity previously reported in accordance with Canadian GAAP as at October 1, 2010, March 31 and September 30, 2011 except the reclassification between contributed surplus under Canadian GAAP to reserves under IFRS as discussed in above.

11. SUBSEQUENT EVENT

Subsequent to the quarter ended March 31, 2012, the Company has received the repayment of $5,000 for the full settlement of the $5,000 note payable (Note 7).