



# Arris Holdings Inc.

**Arris Holdings Inc.  
Management Discussion & Analysis**

Three months ended December 31, 2012.

**This MD&A is dated February 11, 2013**

## Management's Discussion and Analysis

The following Management's Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of the operations of Arris Holdings Inc. ("AHI" or the "Company") for the three months ended December 31, 2012.

This MD&A has been prepared effective as of February 11, 2013.

Readers can find the Company's financial statements and additional information regarding the company and its operations on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

### Forward Looking Statements

*This MD&A contains statements concerning future results, future performance, intentions, objectives, plans and expectations that are, or may be deemed to be, forward-looking statements. These statements concerning possible or assumed future results of operations of the Company are usually preceded by, followed by or include the words 'believes', 'expects', 'anticipates', 'estimates', 'intends', 'plans', 'forecasts', 'may', 'will', or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements are not guarantees of future performance. These forward-looking statements are based on management's current expectations and involve numerous risks and uncertainties, including, but not limited to, those identified in the Risks & Uncertainties section.*

*The Company is an exploration stage company with principal business of exploration and development of mineral properties. Readers are cautioned that the Company is in the early stage of reviewing technical reports and other data pertaining to these properties and at this time cannot accurately predict what course of action will and can be taken with respect to these properties. There are risks inherent in the mining sector and, as an early stage exploration company, the Company is subject to these risks, including, but not limited to commodity prices, location of the properties, availability of qualified workers, government regulations and management expertise.*

*While we believe the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate. These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. Arris Holdings Inc. has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by, or on behalf of, the Company, except as required by applicable securities laws.*

### About Arris Holdings Inc.

Arris Holdings Inc. was incorporated on October 30, 2009 under the Business Corporations Act (British Columbia). The common shares of the Company are currently traded on the Canadian National Stock Exchange under the Symbol AAF.

### Overall Performance

The Company is an exploration stage company whose principal activity is the exploration and development of mineral properties.

The Company fully impaired its mineral properties in the last year and the Company is currently pursuing new investment opportunities and will continue to assess, explore and, if feasible, seek out further potential opportunities for the Company and its shareholders.

## Selected Quarterly Information

The following table summarizes the results of operations for the Company's eight most recent quarters.

	Quarter Ended							
	December	September	June 30,	March 31,	December	September	June 30,	March 31,
	31, 2012	30, 2012	2012	2012	31, 2011	30, 2011	2011	2011
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Loss(gain) from disposition of investment	-	-	-	(10,905)	-	187,504	75,246	-
Loss (gain) from market value adjustment of investments	-	-	-	12,500	(12,500)	(187,504)	177,799	(25,330)
Operating expenses	13,967	26,291	15,440	31,849	17,617	39,502	31,849	39,210
Loss from continued operations	13,967	62,198	15,440	33,444	5,117	35,002	284,894	13,880
Loss per share, basic and diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00

The Company is an exploration stage company and its result of operation is not subject to seasonality. Management expects operating costs to remain low while AHI remains an exploration stage company.

## Results of Operations

### Three Months Ended December 31, 2012 ("2013 Q1" or the "Current Quarter")

As an exploration stage company, the Company has not earned any revenue since inception, and does not expect to have revenue in the foreseeable future. Loss for the Current Quarter was \$13,967 (2012 Q1 – loss of \$5,117). The \$13,967 loss was a combined result of a \$nil gain from the market value adjustment to the Company's investments (2012 Q1- \$12,500 gain), and operating expenses of \$13,967 (2012 Q1–\$17,617).

The \$13,967 operating expenses consisted mainly of \$nil in consulting fees (2012Q1 - \$7,500), \$7,500 of occupancy costs (2011 - \$6,000), and \$1,100 in professional fees (2012 Q1 - \$2,520). The operating expenses in the Current Quarter are generally lower as management intends to curtail its operations until the Company is able to secure additional financing to meet its long term business objectives.

The gain and loss from the market value adjustment to the Company's investments is incidental and non-recurring in nature.

As at December 31, 2012, the Company had \$4,606 cash (September 30, 2012 - \$6,302), accounts payable and accrued liabilities of \$127,828 (September 30, 2012 - \$130,949) and note payable of \$15,432 (September 30, 2012 - \$ nil). The increase in accounts payable and accrued liabilities and note payable was used to finance the operations of the Company during the Current Quarter.

## **Liquidity and Capital Resources**

Financing of operations has been achieved primarily through equity financing. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they are due. As at December 31, 2012, the Company had a working capital deficiency of \$128,543. Management is reviewing different alternatives, including, but not limited to, equity and debt financing, to provide the Company with adequate liquidity and positive working capital in order to maintain its operations in the future. The Company does not have capital commitments and its capital resources are not subject to external restrictions.

During the Current Quarter, the Company received \$15,432 from its financial activities. The Company issued an unsecured interest free on-demand promissory note to a company (Cabmerl Industries Ltd.) controlled by the President of the Company (Lucky Janda), in order to finance the operation of the Company.

During the Current Quarter, the Company had no cash inflow/outflow from its investing activities.

AHI is an exploration stage company and therefore has no regular source of income. As a result, AHI's ability to conduct exploration, development, and acquisition of resource properties, is based on its ability to raise funds, primarily from equity sources, in the future.

While the Company believes it will be able to raise additional financing when required, there is no guarantee that the Company can complete equity or debt financings in the future. There are inherent risks associated with the equities market and fluctuations in this market could negatively impact the Company's liquidity and access to capital resources. See the "Risks and Uncertainties" for further discussion of the risks the Company may have.

## **Proposed Transactions**

There are no proposed transactions that may have material impact to the Company.

## **Outstanding Share Data**

As at the date of this MD&A, the Company has the following shares or equities that are convertible to the Company's share capital:

Class A Common Shares	21,583,372
Warrants	-0-
Stock Options	-0-

## **Off-Balance Sheet Arrangements**

The company does not have off-balance sheet arrangements.

## Transactions with Related Parties

Related Party	Three Months Ended December 31,		Description
	2012	2011	
A&A Progressive Development Ltd. (i)	\$ 7,500	\$ nil	Occupancy cost
Cabmerl Industries Ltd. (i)	\$ nil	\$ 6,000	Occupancy cost
	\$ nil	\$ 15,000	Consulting Fees

(i) Lucky Janda, a director of the Company is also a director of Cabmerl Industries Ltd. (“Cabmerl”) and A&A Progressive Development Ltd. (“A&A”).

On May 1, 2010, AHI entered into a lease agreement and a consulting agreement with Cabmerl Industries Ltd. The monthly rent and consulting fees are \$2,000 and \$5,000, respectively. The two agreements with Cabmerl were terminated on May 31, 2012. The transactions with Cabmerl have occurred in the normal course of operations and have been measured at exchange amounts agreed by both parties.

In May 2012, the Company entered into a lease agreement with A&A for monthly rent of \$2,500. This rental agreement can be terminated with a 30-day notice.

As at December 31, 2012, the Company’s accounts payable and accrued liabilities balance included a \$94,080 payable balance owing to Cabmerl (September 30, 2012- \$94,080), and \$19,600 payable owing to A&A (September 30, 2012- \$11,200). Related-party payables are un-secured and non-interest bearing.

## Critical Accounting Estimates

This section is not applicable to Venture issuers.

## Financial Instruments and Other Instruments

Refer to Notes 3 and 12 to the Company’s audited financial statements for the year ended September 30, 2012. The Company’s financial instruments have not had significant changes since then.

## Changes in Accounting Policies including Initial Adoption

The Company has not adopted new accounting policies since it most recent year ended September 30, 2012.

### New accounting policies yet adopted

Refer to the Note 3 to the Company’s condensed interim financial statements for the three months ended December 31, 2012.

## Risks and Uncertainties

Risks of the Company’s business include the following:

### New Enterprise

Our business is subject to risks inherent in the establishment of a new business enterprise, such as limited historical financial information, limited capital resources and the inability to raise additional funds when required. No commitments to provide additional funds have been made by management or other shareholders.

### Dilution to the Existing Shareholders

The Issuer has no other capital resources other than the ability to use its common stock to raise additional capital. The issuance of additional equity securities by the Issuer could result in a significant dilution in the equity interests of existing shareholders.

### Reliance on Management's Expertise

AHI strongly depends on the business acumen and investing expertise of its management team and there is little possibility that this dependence will decrease in the near term. The loss of the services of any member of such team could have a material adverse effect on the Issuer. AHI does not have any key person insurance in place for management. Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive.

### Mining Industry

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally 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 ore, including unusual and unexpected geology formations, rock bursts, 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 possible legal liability. Although adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The Company's mineral exploration activities are directed towards the search, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company as described herein will result in discoveries of commercial quantities of ore. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

### Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and

water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, 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 production or development. Amendments to current laws and regulations governing operations and activities of exploration, mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

#### Permits and Licenses

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

#### Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.

### Commodity Prices

The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of metal has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable.

Depending on the price of metal, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any particular accounting period.

### Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure.

### Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### Title of Properties

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

### **Financial and Disclosure Controls and Procedures**

During the three months ended December 31, 2012, there has been no significant change in the Company's internal control over financial reporting from last year.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited



interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI 52-109") (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

### **Directors and Officers**

Navchand Jagpal	Director & CEO
Lucky Janda	Director, President
Rana Vig	Director
Jamie Lewin	Chief Financial Officer