



ARRIS HOLDINGS INC.

Interim Financial Statements

For the three months ended December 31, 2010

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the three months ended December 31, 2010.

ARRIS HOLDINGS INC.

Balance Sheet

(Expressed in Canadian Dollars)

	December 31, 2010	September 30, 2010
	(Unaudited)	
Assets		
Current assets		
Investments (Note 5)	\$ 1,037,310	\$ 1,063,260
Note receivable (Note 4)	25,000	50,736
HST receivable	7,849	4,936
Total assets	\$ 1,070,159	\$ 1,118,932
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness	\$ 1,323	\$ 11,358
Accounts payable and accrued liabilities	63,850	40,177
	65,173	51,535
Shareholders' equity		
Share capital (Note 3b)	1,544,000	1,544,000
Contributed surplus (Note 3e)	40,000	40,000
Deficit	(579,014)	(516,603)
	1,004,986	1,067,397
Total Liabilities and Shareholders' equity	\$ 1,070,159	\$ 1,118,932

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

See accompanying notes to financial statements

Approved on behalf of the Board of Directors

" Navchand Jagpal "

Director

" Lucky Janda "

Director

ARRIS HOLDINGS INC.

Statement of Operations and Comprehensive Loss

For the Periods,

(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2010	October 31, 2009, Date of Incorporation to December 31, 2009
	(Unaudited)	
Expenses		
Consulting	\$ 15,050	\$ –
Interest and bank charges	391	–
Office and administration	1,015	–
Professional fees	3,100	4,000
Rent	6,000	–
Trust and filing fees	1,819	–
Loss before other items	(27,376)	(4,000)
Unrealized loss from market value adjustment of investment (Note 5)	(35,035)	–
Net loss and comprehensive loss for the period	\$ (62,411)	\$ (4,000)
Basic and diluted loss per share	\$ (0.00)	\$ (4,000)
Weighted average number of common shares outstanding	19,583,372	1

See accompanying notes to financial statements

ARRIS HOLDINGS INC.**Statement of Shareholders' Equity****December 31, 2010**

Expressed in Canadian Dollars except for number of shares

(Unaudited)

	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 (Note 6)	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
Net loss for the three months ended December 31, 2010	–	–	–	(62,411)	(62,411)
Balance, December 31, 2010	19,583,372	1,544,000	40,000	(579,014)	1,004,986

See accompanying notes to financial statements

ARRIS HOLDINGS INC.**Statement of Cash Flows****For the Periods,**

(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2010		October 31, 2009, to December 31, 2009
	(Unaudited)		
Cash (used in) provided by:			
Operating activities			
Loss for the period	\$ (62,411)	\$	(4,000)
Items not involving cash			
Fair value adjustment of investments (Note 5)	35,035		
Changes in operating working capital			
HST receivable	(2,913)		
Investments	(9,085)		
Accounts payable and accrued liabilities	23,673		4,000
Cash used in operating activities	(15,701)		-
Financing activities			
Share issuance	-		1
Cash provided by financing activities	-		1
Investing activities			
Proceeds from note receivable repayment	25,736		-
Cash provided by investing activities	25,736		-
Increase in cash	10,035		1
Cash (bank indebtedness), beginning of period	(11,358)		-
Cash (bank indebtedness), end of period	\$ (1,323)	\$	1
Supplementary information:			
Cash paid for interest expense	\$ -	\$	-
Cash paid for income taxes	\$ -	\$	-

See accompanying notes to financial statements

ARRIS HOLDINGS INC.

Notes to the Financial Statements

For the Three Months Ended December 31, 2010

(Unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Arris Holdings Inc. (the “Company” or “AHI”) was incorporated on October 30, 2009 pursuant to the *Business Corporations Act* (British Columbia). The Company’s principal activity is the development of its investment in marketable securities and other business opportunities. 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 on the Company is available at www.sedar.com

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) with the assumption that 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 and its financial success is dependent upon the extent to which it can develop its investments. The Company had a bank indebtedness of \$1,323 as at December 31, 2010 and has incurred losses since inception. Management recognizes that the Company will need to obtain additional financing in order to meet its planned business objectives, to repay its liabilities arising from normal business operations when they come due, and to maintain its operations. There is no assurance that the Company will be able to raise this additional financing. These factors raise substantial doubt about the Company’s ability to continue as a going-concern. These interim 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 business.

These interim financial statements have been prepared in accordance with Canadian GAAP on interim financial statements. They do not include all the disclosures required for annual financial statements. These interim financial statements should be read in conjunction with the Company’s most recent audited financial statements for the year ended September 30, 2010, which are available on SEDAR at www.sedar.com.

Operating results for the three months ended December 31, 2010 are not necessarily indicative of the results that may be expected for the full year ending September 30, 2011 or for any other period.

2. CHANGES IN ACCOUNTING POLICIES

These interim financial statements follow the same accounting policies and methods of application as the Company’s most recent audited annual financial statements for the year ended September 30, 2010. The Company has not changed its accounting policies since then.

Future accounting changes announced by the Canadian Institute of Chartered Accountants (“CICA”) but not yet adopted by the Company are as follows:

Business combinations, CICA Handbook Section 1582

This Section, which replaces the former Business Combinations, Section 1581, establishes standards for the accounting of a business combination. It provides the Canadian equivalent to International

ARRIS HOLDINGS INC.

Notes to the Financial Statements

For the Three Months Ended December 31, 2010

(Unaudited)

2. CHANGES IN ACCOUNTING POLICIES (Continued)

Financial Reporting Standard IFRS 3, “Business Combinations”. This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted, in which case an entity would also early adopt Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. This Section will not impact the Company as it presently operates, however this Section will be effective if the Company undertakes a business combination in the future.

Consolidated financial statements, CICA Handbook Section 1601

This Section, which, together with new Section 1602, replaces the former Consolidated Financial Statements, Section 1600, establishes standards for the preparation of consolidated financial statements. The Section applies to interim and annual consolidated financial statements of fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted in which case an entity would also early adopt Section 1582, Business Combinations and Section 1602, Non-Controlling Interests. This Section will not impact the Company as it presently operates, however this Section will be effective if the Company undertakes a business combination or having subsidiaries in the future.

Non-controlling interests, CICA Handbook Section 1602

This new Section establishes standards for accounting for non-controlling interest in a subsidiary in consolidated financial statements. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, “Consolidated and Separate Financial Statements”. This Section applies to interim and annual consolidated financial statements of fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted, in which case an entity would also early adopt Section 1582, Business Combinations and Section 1601, Consolidated Financial Statements. This Section will not impact the Company as it presently operates, however the Section will be effective if the Company undertakes a business combination or having subsidiaries in the future.

International financial reporting standards

The Canadian Accounting Standards Board (“AcSB”) in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (“IFRS”) over a five-year transitional period.

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Due to the Company’s September 30 fiscal yearend, the Company will adopt IFRS commencing October 1, 2011 and will restate the financial statements (for comparative purposes) reported by the Company for the year ended September 30, 2011. The Company is currently in the process of executing an IFRS conversion plan. It is expected that there is no material impact to the financial reporting arising from the transition to IFRS.

ARRIS HOLDINGS INC.

Notes to the Financial Statements

For the Three Months Ended December 31, 2010

(Unaudited)

3. CAPITAL STOCK

a. Authorized: unlimited number of common shares and preferred shares without par value.

b. Issued and outstanding:

The continuity of the share capital of the Company as at December 31, 2010 is summarized as follows:

	Number of Common Shares	Amount
Issuance on incorporation	1	\$ 1
Share cancellation	(1)	(1)
Issuance related to the Plan of Arrangement (Note 6)	17,583,372	1,484,000
Issuance – private placement (March 16, 2010)	2,000,000	60,000
Balance, September 30, 2010	19,583,372	1,544,000
Issuance (redemption)	-	-
Balance, December 31, 2010	19,583,372	\$ 1,544,000

The Company did not issue or redeem any common shares for the three months ended December 31, 2010.

The Company has not issued any preferred shares since inception.

c. Stock Options:

The Company has not granted any stock options since inception and there were no options outstanding as at December 31, 2010.

d. Share purchase warrant:

There were no warrants issued or exercised during the three months ended December 31, 2010. The continuity of outstanding share purchase warrants as at December 31, 2010 is summarized as follows:

	Number of Warrants	Remaining life (year)	Exercise Price (\$)/share
Warrants issued for the private placement (March 16, 2010)	2,000,000	1.46	0.07
Outstanding Warrants, September 30, 2010	2,000,000	1.46	0.07
Issuance (exercise) during the three months ended December 31, 2010	-	N/A	N/A
Outstanding Warrants, December 31, 2010	2,000,000	1.21	0.07

The expiry date of the outstanding warrants is March 15, 2012. Subsequent to the quarter ended December 31, 2010, all 2,000,000 share purchase warrants were exercised (Note 8a)

ARRIS HOLDINGS INC.

Notes to the Financial Statements

For the Three Months Ended December 31, 2010

(Unaudited)

3. CAPITAL STOCK (Continued)

e. Contributed surplus:

The continuity of contributed surplus as at December 31, 2010 is summarized as follows:

	Amount (\$)
Balance, October 30, 2010, date of incorporation	-
Issuance of share purchase warrants for the private placement (March 16, 2010)	40,000
Balance, September 30, 2010	40,000
Increase (decrease) during the three months ended December 31, 2010	-
Balance, December 31, 2010	40,000

4. NOTE RECEIVABLE

The details of the note receivable due from an un-related individual, as at December 31, 2010, are as follows:

Amount	Interest Rate	Terms	Collateral
\$ 25,000	Non-interest bearing	On-demand	Un-secured

5. INVESTMENTS

The continuity of the Company's investments as at December 31, 2010 is as follows:

	September 30, 2010		December 31, 2010		
	Cost (\$)	Addition (sale) (\$)	Cost (\$)	Accumulated Unrealized gain (loss) (\$)	Fair Value (\$)
Publicly traded common shares					
Dessert Gold Ventures Inc. (300,000 shares)	240,000		240,000	120,000	360,000
Maxtech Ventures Inc. (440,000 shares)	264,000		264,000	242,000	506,000
Ona Power Corp. (2,998,000 shares)	509,236		509,236	(383,326)	125,910
Ona Power Corp (200,000 shares)	-	9,085	9,085	(85)	9,000
Global Uranium Corporation (100,000 shares)	7,800		7,800	(7,800)	-
Share purchase warrants of publicly traded shares					
Global Uranium Corporation (100,000 warrants)	4,200		4,200	(4,200)	-
Ona Power Corp. (2,800,000 warrants)	470,400		470,400	(434,000)	36,400
	1,495,636	9,085	1,504,721	(467,411)	1,037,310

ARRIS HOLDINGS INC.

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For the Three Months Ended December 31, 2010

(Unaudited)

5. INVESTMENTS (Continued)

In accordance with the Company's accounting policies, the carrying values of the marketable securities are marked to market at each reporting date. The fair value of the common shares and share purchase warrants of Global Uranium was valued to \$nil as at December 31, 2010 because the trading of Global Uranium's common shares was halted on September 28, 2010 and has not resumed since then. The fair value of the warrants of Ona Power Corp. is established by using the valuation technique, the Black-Scholes Option Pricing Model, with the following assumptions:

	Assumptions used
Risk free interest rate	1.23%
Expected dividend rate	nil
Expected volatility	185%/year
Expected life	0.95 year
Exercise price	\$0.2/share

The accumulated unrealized loss of investments as at December 31, 2010 was \$467,411 (September 30, 2010: unrealized loss of \$432,376). As a result, the Company recorded an unrealized loss from market value adjustment of investment of \$35,035 for the three months ended December 31, 2010.

6. CORPORATE RESTRUCTURING

On November 2, 2009 the Company entered into a Plan of Arrangement with RTN Stealth Software Inc. ("RTN"), the Company's former parent, to proceed with a corporate restructuring by the way of statutory plan of arrangement whereby the Company would spin-out from the former parent and become a reporting issuer and acquiring an asset from RTN. Under the Plan of Arrangement, RTN had transferred a portfolio of marketable securities (the "Portfolio") to the Company in exchange for 17,583,372 common shares of the Company on the effective date of the Plan of Arrangement (January 5, 2010). Each share holder of RTN of record, as of the close of business on November 5, 2009, received their pro-rata share of the 17,583,372 common shares of the Company issued for the acquisition of RTN's Portfolio.

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(Unaudited)

7. 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 fees are \$2,000 and \$5,000 respectively. The terms of these two agreements are not fixed and can be terminated with thirty days notice. During the three months ended December 31, 2010, AHI was charged \$6,000 (2010-\$nil) rent and \$15,000 (2010-\$nil) in 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 December 31, 2010, the Company's accounts payable and accrued liabilities balance included a \$50,820 payable balance owing to Cabmerl (September 30, 2010 -\$27,300). This related-party payable is un-secured and non-interest bearing.

8. SUBSEQUENT EVENTS

- a) Warrants exercised: On February 7, 2011, all of the Company's outstanding warrants (2,000,000 warrants) were exercised into common shares of the Company at \$0.07 per share for gross proceeds totalling \$140,000. The Company will use the proceeds to finance its operations.
- b) Acquisition of mineral properties: On February 9, 2011, the Company acquired two mineral claims covering areas located in the Kamloops mining division, British Columbia, through its newly incorporated subsidiary, Cielo Gold Corp. from an arms-length entity for consideration of \$5,000 (paid).