Hi Ho Silver Resources Inc.

Management Discussion and Analysis

For the Three and Six Months Ended January 31, 2016

A. INTRODUCTION

The following management discussion and analysis of the operating results and financial position of Hi Ho Silver Resources Inc. (the "Company" or "Hi Ho Silver"), dated for reference July 12, 2016, constitutes management's view of the factors that affected the Company's financial and operating performance for the second quarter ended January 31, 2016 and the subsequent period ended July 12, 2016. This discussion should be read in conjunction with the audited financial statements for the years ended July 31, 2015 and the unaudited interim financial statements for the three and six months ended January 31, 2016.

All dollar amounts are in Canadian currency unless otherwise specified.

The Company's website can be found at www.hihoresources.com. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

This Management Discussion and Analysis ("MD&A") is prepared in conformity with National Instrument 51-102 F1 and was approved by the Board of Directors on July 12, 2016.

B. FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments except as required by applicable Canadian Securities law.

C. STRUCTURE AND BUSINESS DESCRIPTION

Hi Ho Silver Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act on April 7, 2005. All of the Company's efforts are currently devoted to developing exploration properties in British Columbia and Saskatchewan. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

The Company's head office and its registered records offices are located at Suite 201, 1090 West Pender Street, Vancouver, BC, Canada, V6E 2N7. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the CNSX Exchange under the symbol "HHS". The Company is also listed on the Frankfurt Stock Exchange under the symbol "H9T".

D. OPERATING ACTIVITIES

The net loss for the six months ended January 31, 2016 was $441,416 after property write-down of $175,000 compared to the net loss for the six months ended January 31, 2015 of $62,309 after gain on shares issued for debt of $141,440.

E. CORPORATE DEVELOPMENTS

Fairview South Okanagan Property
On August 6, 2015, the Company entered into a purchase agreement with Turnagain Resources Ltd and 0998601 BC Ltd (the "Sellers") to acquire 100% undivided interest in 1 mineral title comprising 21.12 hectares located in British Columbia. In exchange for the 100% interest, the Company has issued 1,500,000 of its common shares to the sellers.

Labrador / Voisey's Bay Project
On September 14, 2015, the Company entered into a purchase agreement with Marcy Kiesman and 0998601 BC Ltd (the "Sellers") to acquire 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. In exchange for the 100% interest, the Company has issued 3,000,000 of its common shares to the sellers.

On September 15, 2015, the Company entered into a purchase agreement with Marcy Kiesman and 0998601 BC Ltd (the "Sellers") to acquire 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. In exchange for the 100% interest, the Company has issued 8,000,000 of its common shares to the sellers.

On September 15, 2015, the Company entered into a purchase agreement with Marcy Kiesman and 0998601 BC Ltd (the "Sellers") to acquire 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. In exchange for the 100% interest, the Company has issued 4,000,000 of its common shares to the sellers.

Bralorne – Pioneer Extension Property
On August 7, 2015, the Company entered into a purchase agreement with Turnagain Resources Inc. and 0998601 BC Ltd. with respect of acquiring 100% undivided interests in the Trout Lake, Bonanza and Bralorne Addition Property comprising 7 mineral claims covering 614.54 hectares were approved. In consideration of the properties, the Company has issued 5,000,000 shares as consideration to Turnagain Resources Inc. and 2,500,000 shares to 099861 BC Ltd. The shares issued relating to these claims were recognized in the amount of $25,000, representing the fair value of the shares at the time of issuance, with each property bearing one-third of the value as acquisition costs.

F. PROJECT UPDATE AND FUTURE PLANS

Mt. Thomlinson Property

On December 23, 2010, the agreement to acquire the Mt. Thomlinson Property in British Columbia from Molystar Resources Inc. ("Molystar") formally closed and the property was transferred to the Company's name. In consideration for the property, the Company issued 4,750,000 common shares valued at $0.055 per share, based on the market price of the shares at the time of issue ($261,250) and assumed certain obligations of Molystar totalling $28,000. An NSR of 2% is attached to the property.

A finder's fee in the amount of 237,500 common shares was included as part of the agreement. These shares were issued February 28, 2011, valued at $0.055 per share ($13,063), based on the market price of the shares at the time of issue.

During the year ended July 31, 2014, the Company wrote off all costs associated with the property.

On May 1, 2015, the Company entered into an agreement with a former officer, director and current significant shareholder whereby it assigned its rights to its remaining mineral tenures in the Mt. Thomlinson Property, in exchange for settling $100,000 in amounts due to a company controlled by this individual.

Fairview South Okanagan Property

On August 24, 2012, the Company entered into an option agreement with William McKinney, Turnagain Resources Inc. and Knight-Castle Mercantile Inc. to acquire a 100% interest in a series of claims, collectively referred to as the Fairview South Okanagan Property, located in British Columbia. The initial Property holding comprised 15 mineral claim covering approximately 762 hectares located 6.4 kilometres west of the town of Oliver BC, in the Okanagan mining division. On November 28, 2013, the Company acquired four additional tenures contiguous to the property that now form part of the Fairview South Okanagan Property.

Historical production from three parallel quartz vein systems on the property totaled 512,000 tonnes grading 3.99 grams per tonne gold and 49.1 grams/tonne silver (Barker and Trenaman, 1987). Initial production was started in the 1890s with the majority of production undertaken by Cominco (now Teck Resources Limited) between 1946 and 1961. The material was utilized as flux by Cominco in the Trail smelter.

Sufficient material remained within the mines at the time of shutdown in 1961 to encourage Cominco to subsequently evaluate a plan of operations at a projected gold price of $400. That program, as summarized in a 1980 report, was based upon a historical resource and envisioned a production scenario of 255,000 tonnes per year or 700 tonnes per day for a period of 10 years. This plan was not implemented and subsequent exploration and evaluation work was conducted by Oliver Gold, but operations were not continued, and the property has remained dormant. These historical resources do not meet the criteria for an NI 43-101-compliant resource of any category as defined in "CIM Definition Standards on Mineral Resources and Mineral Reserves," dated Nov. 27, 2010, and as such should not be relied upon. An updated current resource has been calculated for the property as discussed below.

Compilation of all data in a modern computerized format in order to create a 3-D model has been done, with the ultimate objective to guide the location of the bulk sampling and drilling work. The intent is to obtain a bulk sample and directly ship the material to a nearby mill for custom milling. Depending on the results obtained in the bulk samples, it is anticipated that additional preparations will be made for the eventual continued shipment of material from the underground target zones. This will allow a sequential evaluation of a number of the higher grade zones suggested by historical drilling and mining data, to eventually develop a mining plan as exploration advances and as funding is obtained.

The Company retained Apex Geoscience Ltd. to prepare a National Instrument 43-101 report on the Fairview gold property, near Oliver, in the Okanagan Valley of Southern British Columbia, Canada. Kristopher Raffle, BSc, PGeo, Senior Geologist, and Michael Dufresne, MSc, PGeol, President of Apex, co-ordinated compilation of historic exploration data and completion of the report.

The report is based on a voluminous historic exploration dataset, including work conducted by Highland Valley Resources Ltd. and Oliver Gold Corp. during the period 1985 to 1994, which included drilling of approximately 5,000 metres of core, 400 metres of underground drifting and extensive rock geochemical sampling. That work postdated exploration and development by Cominco Ltd. (now Teck Resources Ltd.) that consisted of drilling of numerous core holes, many hundreds of metres of underground drifts, and extensive stopping of production materials. The majority of surface plans, geologic logs and assay results from drilling, plus underground plans and sections, are available for compilation. This data has been digitized, compiled and used to create a modern 3-D geologic and mineralization model for the property, which will guide future exploration.

On August 21, 2013, this National Instrument 43-101 Technical Report was filed on SEDAR. The mineral resource estimate comprises an inferred mineral resource of 334,000 tonnes averaging 2.9 g/t Au and 17.9 g/t Ag, based on a cut-off grade of 1.0 g/t Au. This includes a higher grade core zone of 51,000 tonnes grading 11 g/t gold and 38g/t silver.

The company has received a bulk sampling permit, and has initiated plans to sample 1000 tonnes, followed by two 10,000 tonne bulk samples for a total of 21,000 tonnes. In the current year the Company is in the process of renewing the bulk sampling permit in order to proceed with the bulk sampling procedure.

On February 24, 2015, the Company entered into an agreement with Turnagain Resources Inc. and 0998601 B.C Ltd. to acquire a 100% interest in an additional 10 mineral claims comprising 760.1 hectares. As consideration, the Company issued 3,000,000 common shares valued at $30,000, representing the fair value of the shares at the time of issuance.

On August 6, 2015, the Company entered into a purchase agreement with Turnagain Resources Ltd and 0998601 BC Ltd (the “Sellers”) to acquire 100% undivided interest in 1 mineral title comprising 21.12 hectares located in British Columbia. In exchange for the 100% interest, the Company has issued 1,500,000 of its common shares to the sellers.

The Company purchased additional claims to expand the Fairview property and to consolidate the land holdings for purposes of assessment work distribution. The property has had a small amount of surface work conducted during the year to facilitate the combination of properties with additional properties being acquired in order to expedite filings of assessment work.

San Bernardino Claims

On May 27, 2014, the Company acquired a 100% interest in 9 placer claims located in San Bernardino County, California from Clearbrook Water Company Ltd. and 0998601 BC Ltd. In consideration for the claims, the Company issued 5,000,000 common shares and a further 1,000,000 common shares as a finder’s fee. The common shares were valued at $60,000, being the fair value of the common shares at the time of issuance.

The property covers a broad carbonate rubble terrain, with associated gold and silver mineralization. The claims have been subject to historical prospecting and removal of minor silver and gold since early settlement of California. The property is easily accessible from county roads and trails. The company is continuing to assess the potential for concentration of the gold contained in the limestone breccia matrix material. A centrifugal system, possibly a Knelson concentrator will be used to test some of the matrix material as soon as possible.

Grasset Dome property, Northwestern Quebec

On June 12, 2014 the Company acquired a property consisting of 1,100 hectares of mineral claims in Northwestern Quebec, Canada. The property, designated the Grasset Dome property, adjoins the property of Balmoral Resources Ltd., where a significant high grade nickel-copper-platinum group element discovery was recently announced. The property was acquired as to 100% with no retained royalty interest via the issuance of 6,000,000 shares.

The property was subsequently expanded to total approximately 7,000 hectares by staking of additional claims by the Company.

The claims have lapsed for lack of assessment work. The claims are being restaked but there is no assurance that the claims can be reacquired, accordingly the property has been written off in the financial statements during the year ended July 31, 2015.

Voisey's Bay, Labrador, Nickel Project
The Company acquired an undivided 100% interest in mineral titles, covering 110 hectares in the Voisey's Bay Area of Labrador.

The property is located 30 km south-southeast of the Voisey's Bay mine site of VALE. The prospect contains an outcropping nickel sulphide showing, previously explored by INCO following the Voisey's Bay deposit. It has similar host geology and similar mineralization to Voisey's Bay, as described in a historic report by Lee and Bengert 2004 (Registry File no. 774-403).

On September 14, 2015 and September 15, 2015, the Company entered into a purchase agreement with Marcy Kiesman and 0998601 BC Ltd (the "Sellers") to acquire 100% undivided interest in 6 mineral titles located in Newfoundland & Labrador. In exchange for the 100% interest, the Company has issued 15,000,000 of its common shares to the sellers.

New geophysical techniques permit deeper penetrating surveys today versus the time when previous exploration was conducted. Deeper targets will be pursued in an anticipated program.

Subsequently, the claims lapsed for lack of assessment work. The claims may be reacquired but there is no assurance that the property can be reacquired, accordingly the property has been written off on the financial statements.

Bralorne – Pioneer Extension Property
The Company acquired the Bralorne – Pioneer Extension Property consisting of 81 mineral tenures (crown grants/reverted crown grants) totaling over 1,227 hectares in the Bridge River – Bralorne – Pioneer gold belt of southern British Columbia, Canada, pursuant to a property purchase agreement described in "Corporate Developments".

The acquisitions include one critical tenure allowing access to historical underground workings. This claim lies on the southeastern extension of the Pioneer Mine workings, and includes the access portal for the Pacific Eastern prospect (sometimes known as the Pioneer Extension) through which historical exploration and development work was conducted on the Pioneer Extension prospect. The additional mineral claims were acquired to complete the coverage of prospective land that extends six km south along the belt and along the Cadwallader fault structure as far as the Dan Tucker prospect.

Historical exploration work on the claim included an access portal and drifting to an internal vertical shaft (winze) 200 meters in depth. From there, various additional drifts and cross-cuts extend over 1500 in total length. Several quartz veins and veinlets with gold values were encountered in the workings, and in cores from the drilling of 36 holes from the underground workings. Historical work is being researched and compiled from available reports and literature to design an exploration approach to the property.

The assembled property package lies to the south of and adjoins the Bralorne and Pioneer mines, currently held by Avino Silver & Gold Mines Ltd. These mines have been in production since 1928, with a cumulative production from the Pioneer and King Mines of 5.5 million tons grading 0.5 oz/ton gold, and from the Pioneer Mine 2.5 million tons of 0.54 oz/ton gold (Church and Jones, 1999). This production was achieved from a vein system extending about 3 km in length and to a depth of 1830 meters. The property package acquired by the Company extends an additional 6 m to the south on the structure.

The Company also acquired an additional four mineral titles covering 81.77 hectares from Turnagain Resources Ltd. and 0998601 BC Ltd. This acquisition brings Hi Ho's current land holdings in the area to 1227.64 hectares.

Subsequently, some of the claims lapsed and the Company chose not to renew these as they decided to focus their exploration efforts on their other properties going forward. As of result, the Company wrote down all capitalized costs relating to the Bralorne property as at January 31, 2016. The Company still holds a portion of the property, and is evaluating the opportunity to advance the property in the future.

Costs of expenditures on exploration and evaluation assets continuity schedule for the six months ended January 31, 2016:

Acquisition Costs	Fairview South Okanagan	San Bernardino	Voisey's Bay	Bralorne - Pioneer Extension	Trout Lake	Bonanza	Total
July 31, 2015	$ 190,526	$ 60,000	$ -	$ -	$ -	$ -	$ 250,526
Additions	15,000	-	150,000	25,000	25,000	25,000	240,000
Impairment	-	-	(150,000)	(25,000)	-	-	(175,000)
January 31, 2016	$ 205,526	$ 60,000	$ -	$ -	$ 25,000	$ 25,000	$ 315,526

Deferred Exploration Costs	Fairview South Okanagan	San Bernardino	Voisey's Bay	Bralorne - Pioneer Extension	Bralorne - Pioneer Extension	Bralorne - Pioneer Extension	Total
July 31, 2015	$ 329,843	$ -	$ -	$ -	$ -	$ -	$ 329,843
Additions	12,000	-	-	-	-	-	12,000
January 31, 2016	$ 341,843	$ -	$ -	$ -	$ -	$ -	$ 341,843
January 31, 2016	**$ 547,369**	**$ 60,000**	**$ -**	**$ -**	**$ 25,000**	**$ 25,000**	**$ 657,369**

G. QUALIFIED PERSONS UNDER NATIONAL INSTRUMENT 43-101

The technical information in this Management Discussion and Analysis has been reviewed and approved by Dr. Stewart Jackson, PhD, P.Geo.; who is a Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

H. RESULTS OF OPERATIONS

Operational results reflect overhead costs incurred for exploration and evaluation assets acquisitions and associated exploration expenses as well as other regulatory expenses incurred by the Company and to maintain the administrative infrastructure required to operate locally and report to the Vancouver Head Office.

General and administrative costs can be expected to fluctuate relationally with acquisitions, exploration and operations.

(1) REVENUES

The company is currently engaged in mineral property acquisition and exploration and does not have revenues from its operations.

(2) EXPENSES

For the three months ended January 31, 2016, total operating expenses were $112,200 (2015 - $95,662), the $16,538 increase was primarily a result of the increase in consulting, salaries and benefits of $27,030 from $55,750 to $82,780, mainly arising from the fact the management fees for the CEO increased.

For the six months ended January 31, 2016, total operating expenses were $266,416 (2015 - $203,749), the $62,667 increase was primarily a result of the following items:

a) Consulting, salaries and benefits increased by $47,775 from $118,050 to $165,825, mainly arising from the fact the management fees for the CEO increased.

b) Financing costs increased by $43,566 from $Nil to $43,566, as the Company has several overdue payables.

(3) SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly information for the preceding eight quarters ending January 31, 2016:

	January 31, 2016 $	October 31, 2015 $	July 31, 2015 $	April 30, 2015 $
Revenue	–	–	–	–
Loss for the period before undernoted items	112,200	154,216	323,109	164,451
Write down of exploration and evaluation assets and deposits	-	175,000	333,500	-
Recovery of previously impaired deposits	-	-	(7,000)	-
Gain on transfer of exploration and evaluation assets	-	-	(100,000)	-
Write off of accounts payable	-	-	(8,968)	-
Net Loss for the period	112,200	329,216	540,641	164,451
Net Loss per common share	0.00	0.00	0.01	0.00
Weighted average number of common shares outstanding	169,927,727	161,791,857	131,468,312	138,681,136

	January 31, 2015 $	October 31, 2014 $	July 31, 2014 $	April 30, 2014 $
Revenue	–	–	–	–
Loss for the period before undernoted items	95,662	108,087	177,638	118,202
Write down of exploration and evaluation assets, investments and shares	-	-	703,939	-
BC METC received on previously impaired exploration and evaluation assets	-	-	-	-
Sales tax not recovered	-	-	25,276	-
Gain on shares issued for debt	-	(141,440)	-	-
Net Loss (Income) for the period	95,662	(33,353)	953,192	118,202
Net Loss (Income) per common share	0.00	(0.00)	0.01	0.00
Weighted average number of common shares outstanding	128,827,727	113,958,960	102,824,169	95,367,647

I. OTHER DISCLOSURES

(1) LIQUIDITY AND CAPITAL RESOURCES

As at January 31, 2016, the Company had bank overdraft of $4,522 compared to bank overdraft of $28 as at July 31, 2015. The working capital deficit at January 31, 2016 was $1,971,251 compared to $1,694,465 as at July 31, 2015.

The capital markets during the past year have been very challenging as the Company continues to seek additional equity funds from private placements with the intention to have a positive working capital position and create the operating funds necessary to evaluate and develop its assets. The Company is currently under a Cease Trade Order, and there is no guarantee that the Company will be successful in raising additional equity funds from private placements in the future.

(2) TREASURY

As at January 31, 2016, the Company had 169,927,727 common shares outstanding. There were also subscriptions of $65,000 received for participating convertible redeemable preferred shares and subscriptions of $224,000 received for common shares which have not been issued yet. These amounts are classified as a liability on the statement of changes in financial position.

(3) OPTIONS OUTSTANDING AS AT JANUARY 31, 2016

Grant Date	Number of Options Outstanding and Exercisable	Expiry Date	Exercise price		Estimated Grant Date Fair Value
February 4, 2011	400,000	February 3, 2016	$ 0.06	$	20,400
February 21, 2011	400,000	February 20, 2016	0.06		20,400
January 9, 2012	800,000	January 8, 2017	0.08		31,954
January 13, 2012	300,000	January 12, 2017	0.08		12,000
October 17, 2013	6,100,000	October 16, 2018	0.06		117,120
January 31, 2016	**8,000,000**		**$ 0.06**	**$**	**201,874**

(4) WARRANTS OUTSTANDING AS AT JANUARY 31, 2016

Issue Date	No. of Warrants outstanding	Expiry Date	Exercise price	Estimated Grant Date Fair Value
May 23, 2013	7,404,000	May 23, 2017	$ 0.05	$ 224,177
October 20, 2014	15,560,080	October 21, 2016	0.10	-
January 31, 2016	**22,964,080**		**$ 0.08**	**$ 224,177**

Each warrant allows the holder to purchase one common share of stock.

(5) OFF-BALANCE SHEET ARRANGEMENTS

As at January 31, 2016 and July 12, 2016, the Company had no off-balance sheet arrangements.

(6) CRITICAL ACCOUNTING ESTIMATES

The following are the critical estimates and judgments that management has made in applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Decommissioning obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of non-current assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future decommissioning cost estimates arising from the decommissioning of site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of decommissioning projects that are included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets. As of January 31, 2016, there were no restoration and reclamation provisions recognized (July 31, 2015 - $Nil).

Exploration and evaluation assets

Costs incurred after the legal right to explore has been obtained and before technical feasibility and commercial viability of the area have been established are capitalized as exploration and evaluation assets. The decision regarding technical feasibility and commercial viability of exploration and evaluation assets involve a number of assumptions, such as estimated reserves, commodity price forecasts, expected production volumes and discount rates, all of which are subject to material change in the future.

Flow-through Share Provision

Flow-through share provisions are comprised of the Company's various tax penalties and indemnification liabilities relating to the deficiencies in incurring on a timely basis the appropriate amount of qualifying exploration expenditures required related to past flow-through share issuances. The Company may also be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made exploration expenditures.

Flow-through share provisions have been created based on internal estimates of the maximum penalties and indemnification liabilities the Company could be subject to. Assumptions, based on the current tax regulations, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management

Fair value of share-based payments

The fair value of share-based payments is calculated using a Black Scholes option pricing model. There are a number of estimates used in the calculation such as the future forfeiture rate, expected option life and the future price volatility of the underlying security which can vary from actual future events. The factors applied in the calculation are management's best estimate based on historical information and future forecasts.

Taxation

The calculation of deferred taxes is based on a number of assumptions including estimating the future periods in which temporary differences, tax losses and other tax credits will reverse, the use of substantively enacted tax rates at the statement of financial position date and the likelihood of deferred tax assets being realized

(7) CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in internal controls over financial reporting during the period.

(8) FINANCIAL INSTRUMENTS

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held-to-maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available-for-sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

The carrying amounts for amounts receivable and accounts payable and accrued liabilities on the consolidated balance sheets approximate fair value because of the limited term of these instruments.

The Company has classified its financial instruments as follows:

a) Cash and cash equivalents are classified as fair value through profit or loss.

b) Sales tax receivable is classified as loans and receivable.

c) Accounts payable, due to related parties, loans payable, promissory note payable, preferred share subscriptions received and provisions are classified as other financial liabilities.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 - inputs for the asset or liability that are not based upon observable market data.

Comprehensive income

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources, such as any unrealized gains and losses in financial assets classified as available for sale. The Company had no "other comprehensive income or loss" transactions during the three and six months ended January 31, 2016 and for the year ended July 31, 2015.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or

- Default or delinquency in interest or principal payments; or

- It becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(9) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value of financial instruments

The Company's financial instruments include cash and cash equivalents, accounts payable, due to related parties, loans payable, promissory note payable, preferred share subscriptions received and provisions. With the exception of cash, the carrying value of the Company's financial instruments approximate their fair values due to their relatively short periods to maturity.

Cash and cash equivalents are measured at fair value using level 1 inputs.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation and cause the other party to incur a financial loss. The Company's cash is exposed to credit risk. The Company has assessed the credit risk on its cash as low as its funds are held in highly rated Canadian financial institutions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity by maintaining adequate cash balances and by raising equity financings. The Company has no assurance that such financings will be available on favorable terms. The Company has liquidity risk due to its working capital deficiency. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares. As at January 31, 2016, the Company had no cash (July 31, 2015 - $Nil) to settle current liabilities of $1,979,825 (July 31, 2015 - $1,713,022) which fall due for payment within twelve months of the statement of financial position. All of the Company's contractual obligations are current and due within one year.

(d) Foreign exchange risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company does not believe that it is subject to foreign exchange risk, and does not hold any funds in foreign currencies as at January 31, 2016 and at July 31, 2015.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Management considers the interest rate risk to be minimal as at January 31, 2016 and at July 31, 2015.

(10) RELATED PARTY TRANSACTIONS

During the six months ended January 31, 2016, the Company incurred a consulting fees of $150,000 (2015 - $90,000) to a company controlled by the CEO and a director of the Company. As at January 31, 2016, a total of $404,814 (July 31, 2015 - $256,596) was owing to the company controlled by the CEO and included in due to related parties.

During the year ended July 31, 2015, the Company issued 6,779,760 units in accordance with the October 2014 private placement in order to settle $338,988 in amounts due to related parties. No gain or loss was recognized on settlement.

During the year ended July 31, 2015, the Company assigned all their remaining mineral interest in the Mt. Thomlinson Property to a significant shareholder in exchange for settlement of $100,000 in amounts due to this related party. As at January 31, 2016, the amount owed to this significant shareholder was $283,779 and is included in due to related parties.

All amounts due to related parties are unsecured, non-interest bearing and due on demand.

Key members of management consist of the Company's Chief Executive Officer, Chief Financial Officer and Directors.

A summary of the aforementioned related party transactions, consulting, salaries and benefits and other compensation earned directly by key members of the Company's management is as follows:

	Six Months Ended January 31, 2016	Six Months Ended January 31, 2015
Consulting, salaries and benefits	**$ 150,000**	$ 105,000
Total compensation	**$ 150,000**	$ 105,000

(11) RISK FACTORS

Hi Ho Silver is an exploration stage company and currently has interests in exploration and development properties in British Columbia and California. Substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in exploration properties contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.