

HI HO SILVER RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

APRIL 30, 2017

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 Part 4, Continuous disclosure Obligations, subsection 4.3(3)(a), we hereby give notice that our financial statement for the interim period ended April 30, 2017, which follows this notice, have not been reviewed by an auditor.

HI HO SILVER RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	As at April 30, 2017 <i>(unaudited)</i>	As at July 31, 2016
ASSETS			
Current			
Cash		\$ 16,334	\$ 48
Sales tax and other receivable		14,555	9,167
Prepaid expenses and deposits		8,829	4,226
		\$ 39,718	\$ 13,441
Equipment	6	1,018	2,647
Exploration and evaluation assets	7	794,600	629,200
		\$ 795,618	\$ 631,847
		\$ 835,336	\$ 645,288
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 326,824	\$ 402,206
Due to related parties		350,358	798,533
Loans payable		422,279	213,794
Obligation for share subscriptions received		289,000	289,000
Promissory note payable		51,580	51,580
Provisions		271,355	271,355
		\$ 1,711,396	\$ 2,026,468
SHAREHOLDERS' EQUITY (DEFICIT)			
Common shares		\$ 11,165,339	\$ 9,841,612
Warrants		237,078	224,177
Shares to be issued		69,000	479,003
Equity reserves		4,991,224	4,941,224
Deficit		(17,338,701)	(16,867,196)
		\$ (876,060)	\$ (1,381,180)
		\$ 835,336	\$ 645,288

Approved by the Board of Directors:

[signed]

Bill Jorgenson, CFO

[signed]

Gary Jorgenson, CEO

HI HO SILVER RESOURCES INC.**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017 AND 2016**

	Three Months Ended April 30, 2017	Three Months Ended April 30, 2016	Nine Months Ended April 30, 2017	Nine Months Ended April 30, 2016
OPERATING EXPENSES				
Accounting, audit and legal	\$ 30,190	\$ 17,875	\$ 82,219	\$ 17,875
Amortization	-	814	1,629	2,444
Consulting, salaries and benefits	62,587	93,650	208,587	259,475
Finance fee (recovery)	-	4,921	(338)	48,487
Investor relations, promotion, travel and conferences	6,649	44,531	62,959	51,078
Listing, exchange and transfer fees	2,540	1,666	13,815	9,860
Office, administration and miscellaneous	1,998	8,168	3,094	12,815
Rent	13,127	32,780	41,314	66,316
Telecommunications	317	3,217	5,225	5,688
	\$ 117,408	207,622	\$ 418,504	\$ 474,038
OTHER EXPENSES				
Impairment of loan receivable	\$ 53,000	\$ -	\$ 53,000	\$ -
Write-down of exploration and evaluation assets	-	-	-	175,000
	\$ 53,000	\$ -	\$ 53,000	\$ 175,000
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ 170,408	207,622	\$ 471,504	\$ 649,038
Basic and diluted loss per common share	\$ (0.01)	\$ (0.03)	\$ (0.04)	\$ (0.10)

HI HO SILVER RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE NINE MONTHS ENDED APRIL 30, 2017 AND 2016

	Notes	Common shares	Warrants	Shares to be issued	Equity reserves	Deficit	Total Shareholder's Equity (Deficit)	Number of Shares
Balance, July 31, 2015		\$ 9,745,612	\$ 531,271	\$ -	\$ 4,634,130	\$ (16,019,203)	\$ (1,108,190)	5,837,110
Shares issued for exploration and evaluation assets		240,000	-	-	-	-	240,000	960,000
Warrants expired		-	(307,094)	-	307,094	-	-	-
Net loss for the period		-	-	-	-	(649,038)	(649,038)	-
Balance, April 30, 2016		\$ 9,985,612	\$ 224,177	\$ -	\$ 4,941,224	\$ (16,668,241)	\$ (1,517,228)	6,797,110
Balance, July 31, 2016		\$ 9,841,612	\$ 224,177	\$ 479,003	\$ 4,941,224	\$ (16,867,196)	\$ (1,381,180)	6,797,109
Shares issued for cash received previously		464,003	-	(464,003)	-	-	-	4,640,030
Shares issued for exploration and evaluation assets		50,000	-	40,000	-	-	90,000	500,000
Shares issued for debt settlement	8	494,724	-	-	-	-	494,724	4,947,240
Shares issued for services	8	7,500	12,901	14,000	-	-	34,401	75,000
Shares issued for cash		357,500	-	-	-	-	357,500	3,575,000
Net loss for the period		-	-	-	-	(471,504)	(471,504)	-
Balance, April 30, 2017		\$ 11,215,339	\$ 237,078	\$ 69,000	\$ 4,941,224	\$ (17,338,700)	\$ (876,059)	20,534,379

HI HO SILVER RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED APRIL 30, 2017 AND 2016

	Notes	Nine Months Ended April 30, 2017	Nine Months Ended April 30, 2016
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss for the period		\$ (471,504)	\$ (649,038)
Items not affecting cash:			
Write-down of exploration and evaluation assets		-	175,000
Share based payments		34,400	-
Impairment of loan receivable	5	53,000	-
Amortization	6	1,629	2,444
Net change in non-cash working capital items:			
Sales tax and other receivable		(5,388)	8,851
Prepaid expenses and deposits		(4,603)	30
Accounts payable and accrued liabilities		(2,524)	2,503
Due to related parties		92,176	217,575
		(302,814)	(242,635)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Loan receivable	5	(53,000)	-
Exploration and evaluation assets costs	7	(75,400)	(18,000)
		(128,400)	(18,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share subscriptions received	8	357,500	-
Loans received, net of repayments		90,000	293,218
		447,500	293,218
CHANGE IN CASH		16,286	32,583
CASH, BEGINNING OF PERIOD		48	(28)
CASH, END OF PERIOD		\$ 16,334	\$ \$ 32,555
NON-CASH TRANSACTIONS:			
Shares issued for debt settlement		\$ 494,724	\$ -
Shares issued for exploration and evaluation assets		\$ 90,000	\$ 240,000

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

Hi Ho Silver Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act on April 7, 2005 and continued to a provincial jurisdiction of BC on March 30, 2017. The address of the Company's corporate office and its registered office is located at 999 Canada Place, Suite 404 Vancouver, BC V6C 3E2.

The Company currently has interests in exploration and evaluation properties in British Columbia, Newfoundland, Labrador, Quebec and California. Substantially all of the Company's efforts are devoted to financing and exploring these properties. There has been no determination whether the exploration properties in which the Company holds an interest contain mineral reserves which are economically recoverable.

The Company completed a 25:1 share consolidation effective August 8, 2016. This has been retroactively presented in the condensed interim financial statements and notes to the condensed interim financial statements and all share amounts, including per share amounts, reflect the share consolidation.

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, as 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.

These condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operation and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. As the Company does not have sufficient working capital to meet its short-term obligations or its projected minimum financial obligations for the next fiscal year, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The 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. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company, except for the accounting policies which have changed as a result of the adoption of new and revised standards and interpretations which are effective January 1, 2016. These condensed interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's July 31, 2016 annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

2. BASIS OF PRESENTATION (CONTINUED)

These condensed interim financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all years presented in these condensed interim financial statements as if the policies have always been in effect.

3. SIGNIFICANT ACCOUNTING POLICIES

Hi Ho Silver Resources Inc. applies the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2016 annual financial statements, unless otherwise stated below. None of the new standards, interpretations, and amendments, effective for the first time from 1 January 2016, have had a material effect on the financial statements.

The preparation of the consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving more judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, and expenses. These estimates and judgments are reviewed periodically, and, as adjustments become necessary, they are reported in earnings/loss in the period in which they become known. Significant estimates and judgments made by the Company that have the most significant risk of causing material misstatement to the carrying amounts of assets and liabilities are discussed below.

Impairment of loan receivable

Management uses judgment to assess the existence of impairment indicators such as events or changes in circumstances that may indicate the carrying amount of loans receivable.

Share based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

5. LOAN RECEIVABLE

During the nine months ended April 30, 2017, the Company loaned \$53,000 in the common shares of an arms' length private company, Canamara Iron & Titanium Corporation. No terms of the loan were finalized. Management has assessed that the expected cash flows from this loan will not be realized. An impairment loss of \$53,000 was recorded in loss and comprehensive loss for the nine months ended April 30, 2017.

HI HO SILVER RESOURCES INC.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017****6. EQUIPMENT**

The following tables summarize equipment costs for the nine months ended April 30, 2017 and for the year ended July 31, 2016:

	Computer equipment	Equipment	Total
COST			
July 31, 2016	\$ 20,824	\$ 1,696	\$ 22,520
Additions	-	-	-
July 31, 2016	20,824	1,696	22,520
Additions	-	-	-
April 30, 2017	20,824	1,696	22,520
ACCUMULATED AMORTIZATION			
July 31, 2015	16,444	170	16,614
Amortization	2,920	339	3,259
July 31, 2016	19,364	509	19,873
Amortization	1,460	169	1,629
April 30, 2017	\$ 20,824	\$ 678	\$ 21,502
NET BOOK VALUE			
July 31, 2016	\$ 1,460	\$ 1,187	\$ 2,647
April 30, 2017	\$ -	\$ 1,018	\$ 1,018

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

7. EXPLORATION AND EVALUATION ASSETS

The following tables summarize costs of expenditures on exploration and evaluation assets for the nine months ended April 30, 2017 and for the year ended July 31, 2016:

	Fairview South Okanagan	San Bernardino	Trout lake	Bonanza	Canadian & Augustus	Norbeau Gold	Total
Acquisition Costs							
July 31, 2016	\$ 196,526	\$ 60,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 276,526
Additions	-	-	-	-	70,000	65,000	70,000
Impairment	-	-	-	-	-	-	-
April 30, 2017	\$ 196,526	\$ 60,000	\$ 10,000	\$ 10,000	\$ 70,000	\$ 65,000	\$ 346,526
Deferred Exploration Costs							
July 31, 2016	\$ 338,405	\$ 8,562	\$ 2,854	\$ 2,853	\$ -	\$ -	\$ 352,674
Additions	2,700	2,700	2,700	11,650	10,650	-	30,400
Impairment	-	-	-	-	-	-	-
April 30, 2017	\$ 341,105	\$ 11,262	\$ 5,554	\$ 14,503	\$ 10,650	\$ -	\$ 383,074
July 31, 2016	\$ 534,931	\$ 68,562	\$ 12,854	\$ 12,853	-	\$ -	\$ 629,200
April 30, 2017	\$ 537,631	\$ 71,262	\$ 15,554	\$ 24,503	\$ 80,650	\$ 65,000	\$ 794,600

(a) 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. As consideration for the interest, the Company made cash payment of \$25,000 and issued a total of 120,000 common shares. The value of the shares was recorded at \$120,000, representing the fair value of the shares at the time of issuance. The Company also incurred \$5,000 in legal and paid a \$5,000 finder's fee in association with acquiring the interest.

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 120,000 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. As consideration, the Company has issued 60,000 of its common shares valued at \$6,000, representing the fair value of the shares at the time of issuance.

During the nine months ended April 30, 2017, the Company incurred \$2,700 (2016 – \$12,000) for consulting and exploration services performed on the project.

Included in loans payable at April 30, 2017 is a \$10,000 loan which is secured by 10% of 4 mineral claims of the Fairview South Okanagan Property (Note 10).

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(b) San Bernardino Claims

On May 27, 2014, the Company acquired a 100% interest in 6 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 200,000 common shares and a further 40,000 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.

During the nine months ended April 30, 2017, the Company incurred \$2,700 (2016 – \$Nil) for consulting and exploration services performed on the project.

(c) Trout Lake, Bonanza & Bralorne Property

On February 9, 2015, the Company entered into an agreement with Turnagain Resources Inc. and 0998601 B.C. Ltd. to acquire a 100% interest in 4 mineral claims in the Bralorne – Pioneer area of southern British Columbia. As consideration, the Company issued 200,000 common shares and agreed to a cash payment of \$10,000. The common shares were valued at \$50,000, representing the fair value of the shares at the time of issuance. During the year ended July 31, 2015, the Company dropped 3 of the 4 mineral claims acquired. The \$10,000 cash payment has not yet been paid and is included in loans payable at April 30, 2017.

On March 11, 2015, the Company entered into an agreement with the same vendors to acquire a 100% interest in an additional 1 mineral claim. As consideration, the company issued 80,000 common shares and agreed to pay cash of \$5,000. The common shares were valued at \$20,000, representing the fair value of the shares at the time of issuance. The \$5,000 cash payment has not yet been paid and is included in loans payable at April 30, 2017.

As at July 31, 2015, 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 July 31, 2015.

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 properties comprising 7 mineral claims covering 614.54 hectares were approved. In consideration of the properties, the Company has issued 200,000 shares valued at \$20,000 to Turnagain Resources Inc. and 100,000 shares valued at \$10,000 per share to 099861 BC Ltd. The value of these exploration and evaluation acquisitions costs represent the fair value of the shares at the time of issuance (Note 8(b)ix).

During the year ended July 31, 2016, the Company decided not to focus its exploration efforts on the Bralorne property. The Company wrote off all costs associated with the Bralorne property effective July 31, 2016. Despite the write off costs, the Company retains its main land position in the Bralorne area, and may initiate exploration at a future date. Assessment work is sufficient on most claims to continue holding the claims.

As at April 30, 2017, the Company retains interest in the Trout Lake and Bonanza properties.

During the nine months ended April 30, 2017, the Company incurred a total of \$14,350 (2016 – \$Nil) for consulting and exploration services performed on these properties and incurred \$Nil (2016 – \$Nil) in maintaining tenures.

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

7. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(d) Canadian Augustus

On September 30, 2016, the Company entered into an option agreement with Fayz Yacob and Ramy Yacoub ("Optionors") to acquire an undivided 100% interest in 16 mineral title claims located in Northwestern Quebec. As consideration, the Company is required to issue to the Optionors a total of 2,000,000 common shares in instalments over five years, make cash payments to the Optionors totaling \$200,000 in instalments over three years and incur exploration expenditures on the Property totaling \$1,500,000 over three years. Furthermore, the Company is to issue to the Optionors an additional 1,000,000 shares subject to calculated proven economic reserves. For the nine months ended April 30, 2017, the Company paid \$20,000 cash to the Optionors in accordance with this agreement. On November 2, 2016, the Company issued 500,000 shares to the Optionors in accordance with this agreement.

During the nine months ended April 30, 2017, the Company incurred \$10,650 (2016 – \$Nil) for consulting and exploration services performed on the project.

(e) Norbeau Gold

On March 1, 2017, the Company obtained an option to acquire 100% interest in the Norbeau Gold Property, Chibougamau region, northwestern Quebec, Canada.

The option to acquire a 100% interest in the property includes payment of \$12,500 on the effective date and \$12,500 to be paid one month after the effective date. An additional \$12,500 is due at the end of every quarter until October 31, 2018. A payment of \$40,000 on July 31, 2019 and \$80,000 on July 31, 2020. An additional \$50,000 is payable on the first anniversary, and an additional \$60,000 to be paid on each of the second and third anniversary dates. Payment of 500,000 shares is due 15 days from the effective date, and 500,000 shares on each of the first, second, and third anniversary dates. A 2% net smelter royalty is retained by the Vendor, subject to purchase at any time of 1% for \$1 million. The option includes expenditures on the property of \$200,000 by July 31, 2018 and \$1 million on or before July 31, 2020.

8. SHARE CAPITAL

(a) Share Capital

For the nine months ended April 30, 2017:

- i. On August 3, 2016, the Company completed a share consolidation on the basis of 25 old shares for 1 new share. This share consolidation has been retroactively presented in the condensed interim financial statements and all share amounts, including per share amounts, reflect the share consolidation (Note 1).
- ii. On September 28, 2016, the Company closed a private placement in which they issued 3,420,026 units at \$0.10 per unit for gross proceeds of \$342,003. \$298,503 of these proceeds were received prior to July 31, 2016 and were recorded as share subscriptions received on the statement of financial position at July 31, 2016. Each unit consists of one common share and one share purchase warrants exercisable at \$0.30 per share and have a life of one year.
- iii. On November 2, 2016, the Company issued 500,000 shares to the Optionors in accordance with the agreement.
- iv. On November 9, 2016, the Company closed a private placement in which they issued 2,730,000 units at \$0.10 per unit for gross proceeds of \$273,000. Each unit consists of one common share and one share purchase warrants exercisable at \$0.30 per share and have a life of one year.

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

8. SHARE CAPITAL (CONTINUED)

- v. On November 17, 2016, the Company issued 4,947,240 units to settle debt in the amount of \$494,724 for services provided to the Company, loans and reimbursement of expenses. Each unit consists of one common share and one transferable common share purchase warrant entitling the creditor to purchase one additional common share at a price of \$0.30 per share for one year from the date of issuance of the units.

The Company also issued 50,000 units to a Director under the same terms in exchange for services.

- vi. On January 18, 2017, the Company closed a private placement in which they issued 545,000 units at \$0.10 per unit for gross proceeds of \$54,500. Each unit consists of one common share and one share purchase warrants exercisable at \$0.30 per share and have a life of one year.
- vii. On February 14, 2017, the Company closed a private placement in which they issued 1,295,000 units at \$0.10 per unit for gross proceeds of \$129,500. Each unit consists of one common share and one share purchase warrants exercisable at \$0.30 per share and have a life of one year.
- viii. On April 20, 2017, the Company closed a private placement in which they issued 300,000 units at \$0.10 per unit for gross proceeds of \$30,000. Each unit consists of one common share and one share purchase warrants exercisable at \$0.30 per share and have a life of one year.

For the nine months ended April 30, 2016:

- ix. On August 12, 2015, the Company issued 60,000 common shares for 100% undivided interest in 1 mineral title comprising 21.12 hectares located in British Columbia. The common shares were recorded at \$6,000, representing the fair value of the shares.
- x. On August 12, 2015, the Company issued 300,000 common shares for 100% undivided interests in the Trout Lake, Bonanza and Bralorne Properties comprising 7 mineral claims covering 614.54 hectares were approved. The common shares were recorded at \$30,000, representing the fair value of the shares.
- xi. On October 28, 2015, the Company issued 120,000 common shares for 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. The common shares were recorded at \$12,000, representing the fair value of the shares.
- xii. On October 28, 2015, the Company issued 320,000 common shares for 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. The common shares were recorded at \$32,000, representing the fair value of the shares.
- xiii. On October 28, 2015, the Company issued 160,000 common shares for 100% undivided interest in 2 mineral titles located in Newfoundland & Labrador. The common shares were recorded at \$16,000, representing the fair value of the shares.

(b) Per share amounts

Nine months ended	April 30, 2017	April 30, 2016
Weighted average number of shares – basic:		
Issued common shares as at August 1	6,797,109	5,837,110
Effect of common shares issued during the period	4,088,403	850,729
	10,885,512	6,687,839
Net loss per share – basic and diluted	\$ (0.04)	\$ (0.10)

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

8. SHARE CAPITAL (CONTINUED)

(c) Warrants

On October 20, 2016, 622,403 warrants expired unexercised. \$Nil was transferred from warrants to equity reserve on expiration.

A summary of warrants outstanding as at April 30, 2017 is as follows:

<u>Grant date</u>	<u>Expiry date</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Warrant reserve</u>
May 23, 2013	May 23, 2017	296,160	\$ 1.25	\$ 224,177
September 28, 2016	September 28, 2017	3,420,026	\$ 0.30	-
November 9, 2016	November 9, 2017	2,930,000	\$ 0.30	-
November 17, 2016	November 17, 2017	4,997,240	\$ 0.30	-
January 18, 2017	January 18, 2018	545,000	\$ 0.30	-
February 13, 2017	February 13, 2018	1,295,000	\$ 0.30	-
April 20, 2017	April 20, 2018	300,000	\$ 0.30	-
Balance, April 30, 2017		13,783,426		

As at April 30, 2017, the weighted average remaining expected life of issued and outstanding warrants was 0.53 years (July 31, 2016 – 0.38 years).

(d) Shares to be issued

Common share subscriptions

200,000 share units were accrued to an officer as part of his management services agreement. The value assigned to the shares and warrants was \$26,900. The value was determined using the Black-Scholes model using the following assumptions:

	<u>2017</u>
Share price at grant date	\$0.07 per share
Risk free rate	0.76%
Expected life	2 years
Expected volatility	292%
Dividend yield	0%
Forfeiture rate	0.00%
Black-Scholes value per option	\$0.065

Expected volatility was based on the Company's historical volatility.

Preferred share subscriptions

Preferred share subscriptions received by the Company has been classified as a liability on the statement of financial position as the issuance of preferred shares is uncertain. The total liability relating to preferred share subscriptions cumulatively received is \$289,000 as of April 30, 2017 (July 31, 2016 - \$289,000).

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

9. RELATED PARTY TRANSACTIONS AND BALANCES

During the nine months ended April 30, 2017, the Company issued 2,705,500 units in accordance with the November 17, 2016 debt settlement to settle \$270,550 in amounts due to related parties. No gain or loss was recognized on settlement.

As at April 30, 2017, the Company had \$350,358 (July 31, 2016 - \$492,503) due to related parties which comprised of current and former Directors and Officers. All amounts due to related parties are unsecured, non-interest bearing and due on demand.

An officer of the Company, owed \$5,980 as April 30, 2017

On November 17, 2016, the Company granted 50,000 warrants in connection with shares issued to a Director for services.

200,000 share units were accrued to an officer as part of his management services agreement. The value assigned to the shares and warrants was \$26,900.

Key management compensation

A summary of the afore-mentioned directors, officers and management compensation earned directly by key members of the Company's management is as follows:

Nine months ended	April 30, 2017	April 30, 2016
Salary and bonuses	\$ 157,387	\$ 225,000
Share based compensation	26,900	-
Total compensation of key management personnel	\$ 184,287	\$ 225,000

10. LOANS PAYABLE

As at April 30, 2017, the Company has loans payable to arm's length parties in the gross amount of \$422,279 (July 31, 2016 - \$213,794). Loans making up \$322,279 of the balance at April 30, 2017 are non-interest bearing, unsecured and payable on demand. A loan in the amount of \$10,000, which makes up the remaining balance at April 30, 2017, is secured by 10% of 4 mineral claims (Note 6 (a)), is due on demand and non-interest bearing.

A loan of \$100,000 was received on November 25, 2016. The loan carries interest of 2% per month and was due on February 25, 2017. At the time of issuance of these financials, the loan default has not been remedied.

11. PROMISSORY NOTE

During the year ended July 31, 2014, the Company entered into a promissory note agreement with a vendor who had previously provided exploration services on the Company's Fairview South Okanagan and English Bay Properties. Pursuant to the agreement, \$51,580 was converted from accounts payable to a formalized promissory note repayable at the earlier of a) Receipt of approximately \$100,000 or more in financing by the Company; or b) Any specific investment received by the Company specifically for the continued work on the Fairview South Okanagan Property.

The promissory note is non-interest bearing and unsecured.

The amount outstanding as at April 30, 2017 and July 31, 2016 was \$51,580. As at April 30, 2017, the note remained in default.

HI HO SILVER RESOURCES INC.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2017

12. COMMITMENTS

The Company has committed as part of a grant of an option to acquire the 100% interest in mineral claims known as Norbeau Gold Property located in Chibougamau region, Northwestern Quebec based on the following commitments:

July 31, 2017	\$12,500
July 31, 2018,	\$50,000
July 31, 2019	\$52,500
July 31, 2020	\$80,000

And a further commitment to spend \$200,000 on exploration on or before July 31, 2018 and a further \$1,000,000 on or before July 31, 2020.

13. SUBSEQUENT EVENTS

On June 12th, the Company issued (a) 500,000 common shares pursuant to the fifth closing of a non-brokered private placement of up to 10,000,000 non-flow-through units and up to 10,000,000 flow-through units, with each unit comprised of one common share and one share purchase warrant; (b) 500,000 common shares pursuant to the grant to the Company of an option to acquire a 100% interest in the Norbeau gold exploration property; (c) 1,100,000 common shares pursuant to a shares for debt transaction; and (d) 250,000 common shares pursuant to a shares for services agreement;