HI HO SILVER RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JULY 31, 2017

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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 November 28, 2017, constitutes management's view of the factors that affected the Company's financial and operating performance for the year ended July 31, 2017. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the years ended July 31, 2016 and 2015.

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 this MD&A and all share amounts, including per share amounts, reflect the share consolidation.

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 November 28, 2017.

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 Canada. 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 999 Canada Place, Suite 404, Vancouver, BC V6C 3E2. 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 year ended July 31, 2017 was $1,175,664 compared to the net loss for the year ended July 31, 2016 of $847,993.

E. CORPORATE DEVELOPMENTS

The following were corporate developments for the year ended July 31, 2017:

Canadian & Augustus Quebec Property

On September 30, 2016, the Company entered into an option agreement with Fayz Yacoub 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 year ended July 31, 2017, the Company paid $20,000 cash to the Optionors and issued 500,000 shares to the Optionors in accordance with this agreement. As of July 31, 2017, we were not in compliance with the schedule of payment terms and the $68,150 carrying value of the property was written-off because the option agreement was not in good standing.

Norbeau Gold

The Company announced on March 1, 2017 that it had acquired the right 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 requirements of $25,000 (paid) and a series of six payments of $12,500 due at the end of each quarter from July 31, 2017 to October 31, 2018. T he Company has paid the first $12,500 quarterly amount. Additional payments are required of $40,000 on July 31, 2019 and $80,000 on July 31, 2020. A 2% net smelter royalty is retained by the Vendor, subject to purchase at any time of 1% for $1 million. The option includes exploration expenditure requirements on the property of $200,000 by July 31, 2018 and $1 million on or before July 31, 2020. On June 12, 2017, the Company issued 500,000 shares valued at $37,500 in accordance with this agreement and a further 500,000 shares are required to be issued on the second and third anniversary dates of the agreement.

The mine has a history of gold production as well as substantial potential material yet to be mined from several undeveloped levels. From 1965 to 1969 the Norbeau mine produced 419,029 tonnes grading 13.77 g/t (0.38 oz/t) from eight levels spaced 150 feet apart yielding a total of 5,101 kilograms of gold and 632 kilograms of silver. The mine shaft was sunk to just below the undeveloped 9th and 10th levels. The host rocks are a gabbro sill and diorite, with five orogenic auriferous quartz veins associated with shear zones and fault structures discovered and mined.

Exploration potential for the property is believed to be substantial. A site visit to the property has been completed by a Company representative and Qualified Person. There are no established reserves or resources on the property, and the Company will require exploration and development work to establish any resource or reserve. There can be no assurance that any resource can be established, or if established that such will be economically recoverable.

On July 20, 2017, the Company entered into an Earn in Agreement with ITOCO Mining Corp ("ITOCO") whereby ITOCO shall acquire the Norbeau Earn in Agreement from Hi Ho and Hi Ho shall retain a net profit 5% interest in the Norbeau Property, see Note 5 of the July 31, 2017 audited financial statements.

F. PROJECT UPDATE AND FUTURE PLANS

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 claims 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 post-dated 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 ten 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 one 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.

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.

The Company plans to perform further exploration and metallurgical testing on this property as time and funds permit.

Voisey’s Bay, Labrador, Nickel Project

During the 2017 fiscal year, the property rights elapsed.

Bralorne Project, British Columbia

The Company retains its core block of property in this area. Assessment work was conducted on some claims and filed for purposes of holding the claims. Some peripheral claims were abandoned as not pertinent to the exploration targets.

Canadian & Augustus Lithium Property, Quebec

The Company acquired an interest in these claims as discussed above. The property contains extensive lithium mineralization as hard rock pegmatites containing particularly spodumene, a lithium silicate mineral. Spodumene is used in the ceramics industry in powdered form. Substantial historical work was conducted on two of the three known mineralized zones resulting in calculation of an historical resource. Drilling, trenching, and bulk sampling of the property is required to confirm the historical resource and to further examine the exploration potential on the third unexplored target area. Field work is anticipated in the upcoming year.

As of July 31, 2017, we were not in compliance with the schedule of payment terms and the $68,150 carrying value of the property was written-off because the option agreement was not in good standing.

Costs of expenditures on exploration and evaluation assets continuity schedule for the year ended July 31, 2017:

Acquisition Costs	Fairview South Okanagan	San Bernardino	Trout lake	Bonanza	Canadian & Augustus	Norbeau Gold	Total
July 31, 2016	$ 196,526	$ 60,000	$10,000	$ 10,000	$ -	$ -	$ 276,526
Additions	-	-	-	-	57,500	72,500	130,000
Impairment	-	-	-	-	(57,500)	(72,499)	(129,999)
July 31, 2017	$ 196,526	$ 60,000	$10,000	$ 10,000	$ -	$ 1	$ 276,527
Deferred Exploration Costs							
July 31, 2016	$ 338,405	$ 8,562	$ 2,854	$ 2,853	$ -	$ -	$ 352,674
Additions	2,700	2,700	2,700	5,260	10,650	-	24,010
Impairment	-	-	-	-	(10,650)	-	(10,650)
July 31, 2017	$ 341,105	$ 11,262	$ 5,554	$ 8,113	$ -	$ -	$ 366,034
July 31, 2016	$ 534,931	$ 68,562	$ 12,854	$ 12,853	$ -	$ -	$ 629,200
July 31, 2017	**$ 537,631**	**$ 71,262**	**$ 15,554**	**$ 18,113**	**$ -**	**$ 1**	**$ 642,561**

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) SELECTED ANNUAL INFORMATION

The following are highlights of financial data on the Company for the most recently completed three financial years:

	For the years ended		
	2017	2016	2015
	$'s	$'s	$'s
Net loss for the year	1,175,664	847,993	969,953
Net loss per common share, basic and diluted	0.07	0.13	0.18
Weighted Average number of common shares	16,990,995	6,641,602	5,258,732
Balance Sheet Data			
Working Capital/(Deficiency)	(1,409,669)	(2,013,027)	(1,694,465)
Total Assets	715,787	645,288	604,832

(2) REVENUES

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

(3) EXPENSES

For the year ended July 31, 2017, total operating expenses were $979,958 (2016 - $746,285), the $233,673 increase was primarily a result of the following items:

a) Consulting, salaries, and benefits increased by $289,431 due to the issuance of 4,000,000 stock options in the last fiscal quarter of the current year ending July 31, 2017.

b) Accounting, audit, and legal increased by $130,002 due primarily to an increase of $110,654 or 211% in legal fees relating to the increase in private placements, debt settlement agreements, and legal disputes which took place during the current year ending July 31, 2017.

c) Investor relations, promotion, travel, and conferences increased by $21,686 due largely to $20,000 incurred for investor relations consulting in the current year ending July 31, 2017.

This increase was partially offset as a result of the following items:

d) Rent decreased by $31,525 after the Company moved its head office.

e) Finance fees decreased by $167,987 due to a large one-time finance fee incurred at the end of July 31, 2016.

(4) SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly information for the preceding eight quarters ending July 31, 2017:

	July 31, 2017 $	April 30, 2017 $	January 31, 2017 $	October 31, 2016 $
Revenue	–	–	–	–
Loss for the period before undernoted items	579,155	117,408	105,318	178,077
Impairment of investment	-	53,000	-	-
Loss on settlement of accounts payable	2,057	-	-	-
Write down of exploration and evaluation assets	140,649	-	-	-
Net Loss for the period	721,861	170,408	105,318	178,077
Net Loss per common share	0.07	0.01	0.01	0.02
Weighted average number of common shares outstanding	22,066,910	18,939,375	17,500,483	8,023,857

	July 31, 2016 $	April 30, 2016 $	January 31, 2016 $	October 31, 2015 $
Revenue	–	–	–	–
Loss for the period before undernoted items	272,247	207,622	112,200	154,216
Write down of exploration and evaluation assets and deposits	75,708	-	-	175,000
Impairment of investment	26,000	-	-	-
Net Loss for the period	373,955	207,622	112,200	329,216
Net Loss per common share	0.06	0.03	0.02	0.05
Weighted average number of common shares outstanding	6,641,602	6,797,109	6,797,109	6,471,674

(i) The Company experienced a higher loss for the quarter ending July 31, 2017 due to higher consulting, salaries and benefit costs primarily as a result of 4,000,000 stock options granted in July 2017. A write down on exploration and evaluation assets also contributed to the higher net loss due to the Company being out of compliance with the schedule of payment terms on the option agreement.

(ii) The Company experienced a lower net loss in for the quarter ending April 30, 2017 primarily due to a reduction in overall operating expenses for the quarter ended which were offset by the $53,000 impairment of investment on Canamara loan receivable in April 2017.

(iii) The Company experienced a net loss for the quarter ending January 31. 2017 on par with that of the loss seen in the comparable quarter ending January 31, 2016.

(iv) The Company experienced a lower net loss for the quarter ending October 31, 2016 due primarily to a large write down on exploration and evaluation assets in the comparable quarter ending October 31, 2015.

I. OTHER DISCLOSURES

(1) LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2017, the Company had cash on hand of $11,748 compared to $48 as at July 31, 2016. The working capital deficit at July 31, 2017 was $1,409,669 compared to $2,013,027 as at July 31, 2016.

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.

(2) TREASURY

As at July 31, 2017, the Company had 31,499,694 common shares outstanding. For the year ending July 31, 2017, the Company issued 24,702,616 common shares. As at November 28, 2017, common shares outstanding were 36,407,804.

(3) OPTIONS OUTSTANDING AS AT JULY 31, 2017

Grant Date	Number of Options Outstanding and Excercisable	Expiry Date	Exercise Price	Estimated Grant Date Fair Value
July 28, 2017	**4,000,000**	July 28, 2022	$ 0.075	$ 300,000
July 31, 2017	**4,000,000**			$ 300,000

(4) WARRANTS OUTSTANDING AS AT JULY 31, 2017

Grant date	Expiry date	Number of Warrants	Exercise Price	Estimated Fair Value
September 28, 2016	September 28, 2017	3,420,026	$ 0.30	$ 102,601
November 9, 2016	November 9, 2017	2,930,000	$ 0.30	29,300
November 17, 2016	November 17, 2017	4,997,240	$ 0.30	6,645
December 17, 2016	December 18, 2017	545,000	$ 0.30	-
February 14 2017	February 14, 2018	1,295,000	$ 0.30	12,950
June 12, 2017	June 12, 2018	250,000	$ 0.30	16,133
June 12, 2017	June 12, 2018	500,000	$ 0.30	15,000
July 28, 2017	July 28, 2018	750,000	$ 0.30	18,750
July 28, 2017	July 28, 2019	460,000	$ 0.30	13,052
Balance, July 31, 2017		15,147,266		$ 214,431

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

(5) OFF-BALANCE SHEET ARRANGEMENTS

As at July 31, 2017, 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 July 31, 2017, there were no restoration and reclamation provisions recognized (July 31, 2016 - $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

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 9.

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

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

(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 investments are classified as fair value through profit or loss.

b) Loans receivable is classified as loans and receivables.

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 nine months ended July 31, 2017 and for the year ended July 31, 2016.

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 is 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.

(10) RELATED PARTY TRANSACTIONS

During the year ended July 31, 2017, the Company issued 2,730,500 units in accordance with the November 17, 2016 debt settlement to settle $273,050 in amounts due to related parties. The $39,533 difference between the fair value of the units and carrying value of the liability has been recorded to equity reserves as a capital transaction because the settlement occurred with related parties as shareholders.

As at July 31, 2017, the Company had $7,000 (July 31, 2016 - $798,533) due to related parties which comprised of current directors, officers, and management. All amounts due to related parties are unsecured, non-interest bearing and due on demand.

On November 17, 2016, the Company granted 50,000 units in connection with shares issued to a former Director for services. The value assigned to the shares and warrants was $8,350.

During the year ended July 31, 2017, 590,000 units were accrued to officers and management as part of their management service agreements. The value assigned to the shares and warrants was $46,000 and $17,985 respectively.

On July 28, 2017, the Company awarded 4,000,000 stock options to related parties which comprised of current directors, officers, and management and assigned a value of $294,864, see Note 9(c) of the financial statments for the year ending July 31, 2017.

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:

Years ended		**July 31, 2017**		July 31, 2016
Salary and bonuses	**$**	**167,887**	$	269,450
Share based compensation		**358,849**		-
Directors fees		**8,350**		-
Financing fees		**-**		177,684
Total compensation of key management personnel	**$**	**535,086**	$	447,134

(11) ADDITIONAL DISCLOSURE

During the years ended July 31, 2017 and 2016, our company incurred the following expenses:

		2017		**2016**
Capitalized acquisition costs	$	130,000	$	96,000
Capitalized exploration costs		24,010		28,539
Operating expenses		979,958		746,285
Impairment of exploration and evaluation assets		(140,649)		75,708
	$	993,319	$	946,532

Please refer to Note 8 of our financial statements for the year ended July 31, 2017 for a detailed description of the capitalized costs presented on a property by property basis.

(12) 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.