

HI HO SILVER RESOURCES INC.



MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED APRIL 30, 2021 AND 2020

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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 February 15, 2022 constitutes management’s view of the factors that affected the Company’s financial and operating performance for the three and nine months ended April 30, 2021. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year ended July 31, 2020 and condensed interim financial statements and related notes for the nine months ended April 30, 2021.

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 April 1, 2021.

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

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 is located at Box 21199, Maple Ridge Square, Maple Ridge, BC, V2X 1P7 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 Canadian National Stock Exchange (“CNSX”) under the symbol “HHS”. The Company is also listed on the Frankfurt Stock Exchange under the symbol “H9T”.

D. CORPORATE DEVELOPMENTS

The following were corporate developments for the three and nine months ended April 30, 2021:

Management continued its focus on improving the financial position of the Company and made significant progress towards the objective of reducing its financial obligations.

- The Company has an obligation to issue 1,620,000 units to directors, officers and service providers in exchange for services. Each unit consists of one common share and one transferable common share purchase warrant exercisable at a price of \$0.30 per share for a period of two and three years. The fair value of the common shares issued was determined to be \$43,400 and the fair value of common share purchase warrants issued was determined to be \$30,084.
- On November 20, 2020, the Company entered into a debt settlement agreement with a certain vendor and committed to issue 700,000 common shares in the capital of the Company to this vendor to settle \$21,000 in amounts payable by the Company, the units remain issuable, \$17,500 was recorded to share issuable.
- On February 4, 2021, the Company entered into an agreement to sell the rights, title and interest for the Bralorne property mineral claims to Turnagain Resources Inc, and 1240089 B.C. Ltd. for \$100,000. The Company received \$72,000 cash and \$28,000 in lieu of debt.
- On February 5, 2021 the Company entered into a debt settlement agreement with a certain vendor and issued 2,500,000 common shares at \$0.075 per share in the capital of the Company to this vendor to settle an aggregate of \$187,561 of debt owed by the Company.
- On February 5, 2021, the Company entered into a debt settlement agreement with an arm's length party and committed to issue 3,000,000 common shares in the capital of the Company to settle \$120,000 in loans payable by the Company. The units remain issuable and \$120,000 was recorded to share issuable.
- On February 16, 2021, 449,998 units consisting of one common share and one transferable common share purchase warrant exercisable at a price of \$0.15 per share for a period of two years were granted and issued to arm's length parties to settle \$27,000 in loans payable.
- On February 16, 2021, the Company issued 3,760,000 units at \$0.06 per unit to directors, officers and consultants in exchange for services. Each unit comprised one common share and one transferable common share purchase warrant to purchase one additional share at an exercise price of \$0.15 per share for a period of two years from the date of issuance.

E. PROPERTY EXPLORATION SUMMARY

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 Ltd. ("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.

The Company retained Apex Geoscience Ltd. ("Apex") 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, PGeo, 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 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 to the ideal locations for 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 into a mining plan as exploration advances and as funding is obtained.

On August 21, 2013, the National Instrument 43-101 Technical Report prepared by Apex 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.

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 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 to facilitate the addition of newly acquired properties in order to expedite filings of assessment work.

On July 9, 2018, the Company entered into an option agreement with 1150892 B.C. Ltd. (the "Optionee") whereby the Optionee can acquire up to a 100% undivided participating interest in certain mineral tenures comprising the Fairview South Okanagan Property by making periodic cash payments totaling \$1,500,000 to the Company and incurring exploration expenditures totaling \$975,000 on or before July 9, 2022. As at October 31, 2019, the Company has not received any cash payments in relation to this option agreement. The optionee is continuing to evaluate the project and conduct background investigations with indigenous band representatives in the area.

During the year ended July 31, 2019, the Company was notified by Parks Canada that a portion of the mining property comprising the Fairview South Okanagan Property is being considered for inclusion into a proposed Federal Park in the area. The Company is in discussions with Parks Canada personnel regarding future treatment of the mineral properties within and adjacent to the proposed South Okanagan Grasslands Park. The economic impact of this land debate on the Company is unknown at this time.

The Company intends to establish an early-stage field-based exploration program in early 2021 comprising of surface trenching, geologic mapping and channel sampling on the sites highlighted by previous drilling and mining activities.

Illite Clay- Kootenay Clay

On October 25, 2017, the Company acquired 145.46 hectares in one claim unit located in central British Columbia containing significant quantities of illite clay outcropping at the service level.

In February 2018 an additional 4 claims comprising 290.95 hectares was acquired from the same vendors for an increased total of 436.41 hectares. Consideration for this purchase was \$13,500 and 750,000 shares of Hi Ho Silver Resources Inc. Additional land totaling 436.76 hectares was staked by Company personnel on June 18, 2018, bringing the current land position to a total of 873.17 hectares.

Exploration potential for the property is believed to be substantial. A site visit to the property was undertaken by Company representatives on June 17, 2018, and materials were removed and stored for additional testing.

An agreement for exclusive worldwide distribution rights for the clay was reached with NHP Industries ("NHP") of Burnaby, B.C. on March 18, 2018. Fulfillment of this agreement requires that NHP, or its associate partners, invest \$1,000,000 by way of a private placement subscription originally scheduled to be completed by March 31, 2018. Despite extensions, such funding has not been received. The agreement has been extended to allow NHP more time to secure funding. NHP has since increased the promised investment amount to \$3,000,000. Due to inclement winter weather, the Company originally granted an extension of the March 31, 2018 deadline until the removal of the clay which commenced on June 18, 2018. During the summer season at least 60,000 kg of clay was transported to the Company's storage facility near Vancouver. Delivery of a 10,000 kg sample shipment was made to NHP and partial payment has been received.

On June 5, 2018, a Strategic Investor (1166847 BC Ltd.) committed to invest \$1,000,000 by way of a private placement subscription at a price of \$0.10 per unit, as a pre-requisite to the exclusive world-wide distribution rights agreement for the Illite clay, the Company agreed to allow 1166847 BC Ltd. first Option to Joint Venture two properties which the Company owns and manages. These properties are 1) Bralorne Gold Property (near Lillooet BC) and 2) NIK Cobalt/Nickel Property located in north central BC. Both Options were for a limited period of 90 days, and both Option periods have expired.

There are no established reserves or resources on the Kootenay Clay 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. There has been no Preliminary Economic Assessment or Feasibility Study conducted on the property. Any proposed production from the property will be conducted without the benefit of such study and consequently may present a higher risk to the investor.

A report on the property is in preparation with Apex Geoscience.

NORBEAU GOLD PROJECT: NORBEAU GOLD MINE, AND BEAUROX PROPERTIES

The Company optioned two contiguous properties, the Beaurox property comprising 28 unpatented mining claims covering approximately 1000 Ha, and the Norbeau property covering 637 Ha in two claim groups, both located in McKenzie Township, have been optioned by the Company from two separate owners.

Norbeau Gold

On September 20, 2018, the Company entered into an agreement with Fayz and Ramy Yacoub to reacquire 100% interest in the property, subject to a 2% NSR, requires annual cash payments, periodic issuance of stock, and annual work commitments. This property, previously held by Hi Ho, was subject to forfeiture, and is being reacquired together with additional claims from the previous vendor. The Norbeau property covers 637 Ha in two claim groups, located in McKenzie Township, Quebec covering the Norbeau mine and adjacent properties.

The option for 100% interest on the Norbeau property with Fayz and Ramy Yacoub requires payments of \$25,000 on effective date of Sept. 20, 2018, \$25,000 before Jan. 2019, an additional \$50,000 on first anniversary, \$60,000 second anniversary, and \$60,000 third anniversary. It also requires 750,000 shares

15 days after effective date, 750,000 shares on first anniversary and 1,000,000 on each of second and third anniversary dates. Additionally, 1,000,000 shares will be issued subject to calculated proven economic reserve solely on the property. Work commitments are \$300,000 before first anniversary, additional \$1,500,000 before second anniversary, and additional \$2,000,000 before the third anniversary. A 2% NSR royalty is reserved to vendors, of which the Company has the right to purchase 1% for \$1,000,000.

On November 9, 2018, the Company issued a total of 500,000 common shares as finders' fees for the Norbeau option at a fair value of \$25,000 and 750,000 common shares at a fair value of \$37,500 as the second periodic payment.

During the year ended July 31, 2019 the company paid the first and third installments totaling \$50,000. On November 4, 2019 the Company issued 750,000 shares at a fair value of \$33,750 related to the first anniversary share instalment.

On May 14, 2020, the Company issued a notice of event of force majeure to the Norbeau optionor in relation to the obligation of expenditures on the property in accordance with the Norbeau option agreement due to the Covid-19 pandemic. Once the pandemic has subsided, the optionor will provide the number of days by which the obligations of the Company have been extended.

During the year ended July 31, 2020 the Company paid the fourth installment of \$50,000.

On December 1, 2020, the Company received a Notice of Termination from the vendor, which stipulated that the Norbeau Option Agreement was terminated effective immediately as a result of the Company's defaults on payments due on or before October 3, 2020. The Company wrote off all of the capitalized acquisition and exploration costs pertaining to this property. The Company has recorded an impairment charge of \$216,901 (July 31, 2019: \$nil) in the statement of comprehensive loss for the year ended July 31, 2020.

Beaurox

The agreement for 100% interest, signed October 28, 2018, with Beaurox Mines Limited, covers 28 unpatented mining claims in McKenzie Township, Quebec. The agreement calls for payment of \$50,000 on signing, additional \$70,000 in year one, additional \$70,000 in year two, and additional \$60,000 in year 3. Payment of 750,000 shares is due within 30 days of effective date, and additional 750,000 shares before first anniversary, an additional 1,000,000 shares before second anniversary, and an additional 1,000,000 shares before the third anniversary. An additional 1,000,000 shares is to be issued upon reaching a drill indicated economic reserve or upon sale of the project. Expenditures on the property must be \$300,000 by the first anniversary date, additional \$1,500,000 by the second anniversary, and an additional \$2,000,000 before the third anniversary date. There is a 2.5 % NRS due vendor of which one half may be purchased for \$3,000,000.

Annual advanced royalty payments must be made payable as one kilogram of fine gold no less than 99.9% annually commencing on the 3rd anniversary of the agreement and continuing until commencement of commercial production. This payment in gold may be substituted by payment in free and tradeable shares as shares for debt at a 25% discount to market.

On November 9, 2018, the Company issued a 500,000 common shares as finders' fees for the Beaurox option at a fair value of \$25,000, and 750,000 common shares at a fair value of \$37,500 as the second periodic payment.

During the year ended July 31, 2019 the company paid the first installment of \$50,000, but the Company did not make the third cash instalment prior to the deadline. The default was not cured in the permitted time frame, so the Company lost the option on the Beauxox property. As a result, the Company wrote off 100% of the acquisition costs related to the Beauxox property. The Company recorded an impairment charge of \$112,500 in the statement of comprehensive loss for the year ended July 31, 2019. The property remains fully impaired.

On November 4, 2019 the Company issued 750,000 shares with a fair value of \$33,750 related to the first anniversary share instalment. This has been written off in full during fiscal year ended July 31, 2020 due to the cancellation of the Beauxox property option on February 6, 2020. No further cash payments on options on the Beauxox property have been made.

Bralorne

On February 9, 2015, the Company entered into an agreement to acquire a 100% interest in four mineral claims in the Bralorne – Pioneer area of southern British Columbia. As of July 31, 2019, the Company ceased exploration on the Bralorne property and wrote off all associated costs.

On February 4, 2021, the company entered into an agreement to sell the rights, title and interest for the Bralorne property mineral claims to for \$100,000, \$72,000 of which was received in cash and \$28,000 of which was settled in lieu of debt. \$100,000 was recorded to gain on sale of exploration and evaluation assets.

The following tables summarize costs of expenditures on exploration and evaluation assets for the nine months ended April 30, 2021 and year ended July 31, 2020:

	Fairview South Okanagan	Norbeau Gold	Illite Clay	Beaurox Mines Limited	Total
Acquisition costs					
July 31, 2019	\$ 196,526	\$ 112,501	\$ 62,250	\$ -	\$ 371,277
Additions	-	83,750	-	33,750	117,500
Impairment	-	(196,251)	-	(33,750)	(230,001)
As at July 31, 2020 and April 30, 2021	\$ 196,526	\$ -	\$ 62,250	\$ -	\$ 258,776

	Fairview South Okanagan	Norbeau Gold	Illite Clay	Beaurox Mines Limited	Total
Exploration costs					
July 31, 2019	\$ 354,276	\$ 20,650	\$ 55,012	\$ -	\$ 429,938
Geological consulting	13,538	-	12,973	-	26,511
Site travel and maintenance	-	-	1,035	61,394	62,429
Impairment	-	(20,650)	-	(61,394)	(82,044)
As at July 31, 2020	\$ 367,814	\$ -	\$ 69,020	\$ -	\$ 436,834
Additions	10,000	-	-	-	10,000
As at April 30, 2021	\$ 377,814	-	69,020	-	446,834
Balance as at July 31, 2020	\$ 564,340	-	\$ 131,270	-	\$ 695,610
Balance as at April 30, 2021	\$ 574,340	\$ -	\$ 131,270	\$ -	\$ 705,610

F. 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.

For the nine months ended	April 30, 2021 \$	April 30, 2020 \$	Change \$	Change %
Operating expenses:				
Accounting, audit and legal	116,568	73,752	42,816	58%
Advertising and promotion	-	373	(373)	(100%)
Amortization	28,314	30,233	(1,919)	(6%)
Consulting, salaries, and benefits	108,000	116,330	(8,330)	(7%)
Listing, exchange, and transfer fees	22,996	11,459	11,537	101%
Office, administration and miscellaneous	28,737	24,232	4,505	19%
Share-based payments	278,587	199,305	79,282	40%
Total operating expenses	583,202	455,504	127,518	28%

For the nine months ended April 30, 2021, total operating expenses were \$583,202 (April 30, 2020 - \$455,504) The increase of \$127,518 was primarily attributable to:

- An increase of \$79,282 in share-based payments due to additional payments made to consultants during the period
- An increase of \$42,816 in accounting, audit, and legal fees due to:
 - Increased accounting fees relating to preparation for and assistance with the audit of the year ended July 31, 2020 which took place during December 2020 and January 2021
- An increase of \$11,537 in listing, exchange, and transfer fees due to amounts paid for filing news releases.

For the three months ended	April 30, 2021 \$	April 30, 2020 \$	Change \$	Change %
Operating expenses:				
Accounting, audit and legal	42,169	21,659	20,510	95%
Amortization	9,379	10,078	(699)	(7%)
Consulting, salaries, and benefits	36,000	39,000	(3,000)	(8%)
Listing, exchange, and transfer fees	8,440	6,058	2,382	39%
Office, administration and miscellaneous	24,705	14,253	10,452	73%
Share based payments	239,946	63,327	176,919	279%
Total operating expenses	360,639	154,375	206,264	134%

For the three months ended April 30, 2021, total operating expenses were \$360,639 (April 30, 2020 - \$154,375). The increase of \$206,264 was primarily attributable to similar factors to the nine-month period discussed above, including:

- An increase of \$176,919 in share-based payments due to additional payments made to consultants during the period
- An increase of \$20,510 in accounting, audit, and legal fees related to an increase in accounting fees, as discussed above in the nine-month period

G. SUMMARY OF QUARTERLY RESULTS

	April 30, 2021 \$	January 31, 2021 \$	October 31, 2020 \$	July 31, 2020 \$
Revenue		-	-	-
Loss from operations	362,911	139,952	88,230	161,813
Gain on settlement of liabilities	(118,737)	-	-	-
Gain on sale of exploration and evaluation assets	(100,000)	-	-	-
Impairment of exploration and evaluation assets	-	-	-	278,295
Write-down of accounts payable	-	-	-	(207,437)
Net loss and comprehensive loss for the period	144,174	139,952	88,230	232,671
Net loss per common share	(0.00)	(0.00)	(0.01)	(0.00)

	April 30, 2020 \$	January 31, 2020 \$	October 31, 2019 \$	July 31, 2019 \$
Revenue	-	-	-	-
Loss from operations	154,375	149,879	151,250	313,249
Impairment of exploration and evaluation assets	-	33,750	-	153,566
Impairment of loan receivable	-	-	-	112,500
Finance expenses	4,350	4,539	3,693	-
Write-down of accounts payable	(7,125)	(185,034)	(6,220)	-
Other income	-	(1,050)	-	-
Net loss and comprehensive loss for the period	151,600	2,084	148,723	579,315
Net loss per common share	(0.01)	(0.00)	(0.00)	(0.01)

During the third quarter ended April 30, 2021, operating losses increased by \$221,665 compared to the second quarter of fiscal 2021. The increase was mainly due to a significant increase in share-based payments and legal fees incurred in the third quarter of fiscal 2021 as discussed in the results of operations. Net loss and comprehensive loss for the period increased by \$4,222. The increase in operating losses was offset by the gain recorded on the settlement of liabilities through the issuance of shares and the gain recorded on the sale of the Bralorne property mineral claims during the period.

During the second quarter ended January 31, 2021, operating losses increased by \$50,744 compared to the first quarter of fiscal 2021. The increase was mainly due to a significant increase in accounting and audit fees incurred in the second quarter of fiscal 2021 in connection with the preparation of interim and year-end financial statements.

During the first quarter ended October 31, 2020, operating losses decreased by \$73,583 compared to the fourth quarter of fiscal 2020. The decrease was mainly due to a reduction of \$12,643 in audit fees incurred in the fourth quarter of fiscal 2020 in connection with the year-end audit, a reduction of \$19,378 in listing, exchange and transfer fees related to the filing of cease trade orders and, \$20,000 in accrued interest expense on loan proceeds received in the prior period and was not incurred in the current period and provision for the expected credit losses of \$20,824 for accounts receivable recorded in the prior period.

During the fourth quarter ended July 31, 2020, operating losses increased by \$39,346 compared to the prior quarter of fiscal 2020. The increase was mainly due to an increase in listing, exchange and transfer fees of \$19,036, an increase in bad debt expense of \$20,824 and an increase in finance expenses of \$29,195, net against a reduction in consulting fees of \$11,407, a reduction in share-based payment of \$11,293 and a reduction in office, administration and miscellaneous expenses of \$5,653. The increase in listing, exchange and transfer fees was due to the fees incurred for extending filing deadlines. The increase in bad debt expense was due to the Company's assessment of the expected lifetime credit loss for an overdue trade receivable amount that was recorded in the period. The increase in finance expenses was due to the accrued interest of \$20,000 on a loan received during the year. The reduction in consulting fees was due to a year-end accrual adjustment recorded in the fourth quarter to reflect the actual consulting fees for the year. The reduction of share-based payments were due to deferred compensation in the form of a loan paid to an officer to purchase shares of the Company being fully amortized in the third quarter, and hence, no further compensation expense under this arrangement was recorded in the fourth quarter. The reduction in share-based payments was due to the reduction of office, administration and miscellaneous expenses was due to a decrease in fuel and parking fees in the fourth quarter.

During the third quarter ended April 30, 2020, operating losses decreased by \$7,768 compared to the second quarter 2020 due to a decrease in share-based payment of \$12,807. This was caused by a decrease in the amortized deferred compensation compared to the second quarter as noted above. The Company did not experience significant variance in any of its other operating costs as activity during the first three quarters of fiscal 2020 has been consistent.

During the second quarter ended January 31, 2020, operating losses were relatively flat with a \$664 decrease compared to the first quarter 2020. The Company did not experience significant variance in any of its operating costs as activity during the first two quarters of fiscal 2020 has been relatively consistent overall.

During the first quarter ended October 31, 2019, operating loss decreased by \$182,350, compared to the prior quarter primarily due to a \$183,716 decrease in share-based payments, and a \$21,154 decrease in office, administration, and miscellaneous expenses.

During the fourth quarter of the prior fiscal year ended July 31, 2019, operating loss increased by \$162,198 compared to the third quarter primarily due to a \$192,454 increase in share-based payments. Increases in share-based payments were offset by a \$35,303 decrease in cash-based consulting, salaries, and benefits, and a \$12,185 decrease in accounting, audit, and legal expenses

H. LIQUIDITY

As at April 30, 2021, the Company had cash on hand of \$1,308 compared to \$13,943 as at July 31, 2020. The working capital deficit at April 30, 2021 was \$928,822 compared to \$1,093,506 as at July 31, 2020.

The Company continues to seek additional equity funds from private placements and to work to come to agreements with debt holders to settle debt with the intention to have a positive working capital position and create the operating funds necessary to evaluate and develop its assets.

Operating cash outflow for the nine months ended April 30, 2021 was \$95,070 as compared to \$64,193 for the nine months ended April 30, 2020. The increase in operating cash outflows is primarily due to the Company incurring more operating expenses during the nine months ended April 30, 2021.

Investing cash inflows for the nine months ended April 30, 2021 was \$62,000 as compared to \$76,586 cash outflows for the nine months ended April 30, 2020 due to cash proceeds received from the sale of the Bralorne property mineral claims.

Cash flow generated from financing activities for the nine months ended April 30, 2021 was \$20,435 as compared to cash inflows of \$139,055 during the nine months ended April 30, 2020. Cash inflows were higher during the nine months ended April 30, 2020 due to loan proceeds received from arm's length parties.

I. CAPITAL RESOURCES

The Company's cash resources decreased by \$12,635 during the nine months ended April 30, 2021 to \$1,308.

Management continues to monitor the capital markets for opportunities to raise additional funds.

As of April 30, 2021, the Company had no major long-term expenditure commitments outside of lease obligations described in Note 17 of the audited financial statements for the year ended July 31, 2020.

In December 2020, the Company was approved for an additional \$20,000 increase to the limit of its Canada Emergency Business Account for a total limit of \$60,000.

The Company will fund its ongoing operations and any capital commitments that it enters through the sale or joint venture agreement of one of its properties, through the issuance of common shares, or issuance of debt financing.

J. OFF-BALANCE SHEET ARRANGEMENTS

None.

K. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain officers as its key management personnel. Current directors and officers of the Company are as follows:

William Jorgenson, CEO, CFO, Director, Chairman, Corporate Secretary

BGJ Enterprises, a company controlled by William Jorgenson

Steven Jorgenson, President, Director

Kevin Jorgenson, Vice President, Director

Dennis Jorgenson, Director

During the nine months ended April 30, 2021, 1,620,000 units consisting of one common share and one transferable common share purchase warrant exercisable at a price of \$0.30 per share for a period of two

and three years were granted to William Jorgenson (CEO, CFO and Director), Steven Jorgenson (President and Director), Kevin Jorgenson (Vice President and Director), and Dennis Jorgenson (Director), pursuant to the consulting service agreements. The fair value assigned to the shares and warrants was \$43,400 and \$30,084, respectively. As at April 30, 2021, the unit shares and warrants remained issuable.

On February 16, 2021, 3,700,000 units consisting of one common share and one transferable common share purchase warrant exercisable at a price of \$0.15 per share for a period of two years were granted and issued to William Jorgenson, Steven Jorgenson, Kevin Jorgenson, and Dennis Jorgenson for consulting services. The fair value of the shares and warrants was \$111,000 and \$88,999, respectively.

As at April 30, 2021, the balance due to related parties of \$339,386 (July 31, 2020 - \$244,551) is comprised of accrued consulting fees and amounts due to BGJ Enterprises, William Jorgenson, Dennis Jorgenson and Steven Jorgenson. These balances are non-interest bearing, unsecured and payable on demand.

The following table summarizes amounts due to related parties:

	April 30, 2021	July 31, 2020
William Jorgenson, CEO, CFO, Director	\$ 76,946	\$ 74,976
Dennis Jorgenson, Director	5,000	5,000
BGJ Enterprises, an entity controlled by William Jorgenson	146,440	106,575
Steve Jorgenson, President, Director	111,000	58,000
	\$ 339,386	\$ 244,551

During the year ended July 31, 2019, the Company entered into a vehicle lease agreement with BGJ Enterprises for a motorhome to be used as a mobile office. Pursuant to the agreement, the Company is required to make lease payments totaling \$22,500 for the nine months ended April 30, 2021, and is committed to a monthly lease payment of \$2,500 for a period of 61 (July 31, 2020 – 67) months as at January 31, 2021.

Key management compensation

The Company considers its directors and officers to be key management personnel and compensation earned by key management for the three and nine months ended April 30, 2021 and 2020 as follows:

	For the nine months ended April,		For the three months ended April,	
	2021	2020	2021	2020
Consulting fees, salaries and benefits				
BGJ Enterprises, an entity controlled by William Jorgenson	\$ 54,000	\$ 54,000	\$ 18,000	\$ 18,000
Steve Jorgenson, President, Director	\$ 54,000	\$ 54,000	\$ 18,000	\$ 18,000
Share-based payments				
William Jorgenson, CEO, CFO, Director	\$ 74,310	\$ 82,305	\$ 63,699	\$ 24,327
Steve Jorgenson, President, Director	\$ 74,324	\$ 45,000	\$ 63,699	\$ 15,000
Kevin Jorgenson, Vice President, Director	\$ 104,052	\$ 63,000	\$ 89,178	\$ 21,000
Dennis Jorgenson, Director	\$ 15,378	\$ 9,000	\$ 12,846	\$ 3,000
Greg Budge, Director	\$ 5,405	\$ -	\$ 5,405	\$ -

L. PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to board, regulatory and sometimes shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of the date of this report, the Company has possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

M. CRITICAL ACCOUNTING ESTIMATES

The Company is a venture issuer; therefore, this section is not applicable. For more information on critical accounting estimates refer to Note 4 in the audited financial statements of the Company for the year ended July 31, 2020 and within condensed interim financial statements for the nine months ended April 30, 2021.

N. FINANCIAL INSTRUMENT RISK

The Company is exposed, through its operations, to the following financial risks:

- a) Credit risk
- b) Liquidity risk
- c) Foreign exchange risk
- d) Interest rate risk

The Company is exposed to risks that arise from its financial instruments. This section describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

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 on bank deposit 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.

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. In general, the Company attempts to avoid exposure to liquidity risk by obtaining corporate financing through the issuance of common shares.

As at April 30, 2021, the Company had cash of \$1,308 (July 31, 2020 - \$13,943) to settle current liabilities of \$941,133 (July 31, 2020 - \$1,118,494) 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. All of the Company's financial liabilities are due on demand.

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 significant foreign exchange risk and does not hold any funds in foreign currencies as at April 30, 2021 (July 31, 2020 – \$Nil).

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 market interest rates. Management considers the interest rate risk to be minimal as at April 30, 2021.

Basis of fair value

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, trade payables and accrued liabilities, due to related parties, loans payable, promissory note payable, sales tax and other receivables, lease liabilities, 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 is measured at fair value using level 1 inputs.

O. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

During the nine months ended April 30, 2021 and 2020 the Company incurred the following expenses:

	2021	2020
Capitalized acquisition costs	\$ -	\$ 83,750
Capitalized exploration costs	\$ 10,000	\$ 26,586
Operating expenses	\$ 583,202	\$ 455,504

Please refer to Note 6 Exploration and Evaluation Assets in the condensed interim financial statements for the nine months ended April 30, 2021 for a description of the capitalized acquisition and exploration costs presented on a property-by-property basis.

P. OUTSTANDING SHARE DATA

As at February 15, 2022, the Company had 64,042,802 common shares outstanding, 7,225,000 stock options outstanding and 6,489,998 warrants outstanding.

Q. RISK FACTORS**Mining and exploration risks**

Hi Ho Silver Resources Inc. is an exploration stage company and currently has interests in exploration and development properties in British Columbia. 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.

Going concern

The Company has not generated revenue from operations. The Company incurred a net loss and comprehensive loss of \$372,356 for the nine months ended April 30, 2021 and as of that date the Company's accumulated deficit was \$21,259,056. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financial resources to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures.

The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These factors comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Market Price of Common Shares

The trading price of the common shares is likely to be significantly affected by short term changes in mineral prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business; the lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; and the price of the common shares and size of the Company's public float may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Dilution to Common Shares

During the life of the Company's outstanding common share purchase warrants, as well as options and other rights granted or assumed by the Company, if any, the holders are given an opportunity to profit from

a rise in the market price of the common shares. The Company's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of the common shares. The holders of common share purchase warrants, options and other rights of the Company may exercise such securities at a time when the Company would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favorable than those provided by the outstanding rights.

The increase in the number of common shares in the market and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional common shares, the voting power of the Company's existing shareholders will be diluted.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

Future Profits or Losses and Production Revenues and Expenses

There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as required consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties and any other properties that the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners and the Company's acquisition of additional properties, in addition to other factors, many of which are beyond the Company's control.

The Company expects to incur expenditures and losses unless and until such time as the Company's properties are acquired or achieve a sufficient level of commercial production and revenues to fund continuing operations. The development of the Company's properties will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability, nor can there be any assurance that the underlying assumed levels of expenses will prove to be accurate.

Acquisitions and Integration

From time to time, the Company examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Company has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Company may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining

uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Company's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. If the Company chooses to raise debt capital to finance any such acquisition, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Competition

The Company's business is intensely competitive in all of its phases and the Company will compete with other mining companies for natural resource acquisition opportunities, many of which have greater resources and technical facilities than the Company. Competition in the mining industry is primarily for mineral rich properties which can be developed and can produce economically; the technical expertise to find, develop, and operate such properties; the skilled labor to operate such properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine metals, but also conduct refining and marketing operations on a worldwide basis. Such competition may result in the Company being unable to (i) acquire desired properties, (ii) recruit or retain qualified employees or (iii) raise or generate the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources could have a material adverse effect on its operations, financial condition, and trading price of the securities of the Company.

Loss of Key Employees

The Company depends on the business and technical expertise of a number of key personnel, including its directors and executive officers and key personnel working fulltime in management and administrative capacities or as consultants.

The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's exploration and development activities expand, it will require additional key personnel. The Company does not maintain life insurance for such personnel. The loss of any key personnel, or the failure to retain such personnel, could have a material adverse effect on the Company's operations and financial condition.

R. CEASE TRADE ORDERS

On July 7, 2021, a cease trade order by the British Columbia Securities Commission was imposed on the Company due to the late filing of the Company's interim financial statements and MD&A. Under the Cease Trade Order, the Company is suspended from trading its securities until lifting of the Order.

S. OTHER INFORMATION

This Management Discussion and Analysis has been reviewed and approved by Stewart Jackson who acts as the Company's Qualified Person responsible for preparing and approving all technical information disclosed, as required by National Instrument 43-101.