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NEWS RELEASE

HI HO SILVER RESOURCES COMMENCES EXPLORATION ON CARMÍ PROPERTY, GRANT OF STOCK OPTIONS

EXPLORATION COMMENCES ON CARMÍ PROPERTY

Hi Ho Silver Resources Inc. (the “Company”) announces that it has commenced exploration on its Carmí Molybdenum Property (the “Property”), which is located in south-central British Columbia approximately 45 kilometres southeast of Kelowna and which covers an area of about 2,873 hectares (7,184 acres). The Company has an option to acquire up to a 70% interest in the Property in consideration of incurring exploration expenditures of not less than \$5,000,000, issuing 1,500,000 shares to St. Elias Mines Ltd. (“St. Elias”) and making cash payments to St. Elias totaling \$75,000 over two years.

The following information on the Property has been taken from the 43-101 technical report on the Property dated August 2005 (revised June 2006) (the “43-101 Report”), prepared by the Company’s independent geologists Michael Sanguinetti and Paul Reynolds. Mr. Sanguinetti, P.Eng. and Mr. Reynolds, P.Geo are Qualified Persons as defined under NI 43-101. A copy of this report is available on SEDAR.

Approximately 21,533 metres of drilling has been carried out on the Property, consisting of 140 percussion holes and 48 diamond drill holes all by previous operators. The majority of the drilling was carried out in areas of known mineralization, specifically the E and the Lake Zones. To date in excess of \$1 million dollars has been expended on exploration and development of the Property. This work resulted in the definition and publication of a small resource, **not compliant with National Instrument 43-101**, of an open pittable “drill indicated” molybdenum resource calculated for each body. The E Zone was estimated to contain 17 million tonnes (18.7 million tons) grading 0.063% molybdenum (0.105% MoS₂) and the Lake Zone, about 750 metres west of the E Zone, was estimated to contain 3.7 million tonnes (4.1 million tons) grading 0.066% molybdenum (0.110% MoS₂). A higher grade body of molybdenite mineralization was intersected in drill intercepts of molybdenite mineralized breccias occurring as sheets or panels beneath the Lake Zone. This potential underground mining target was estimated to contain 4.5 million tonnes (5 million tons) grading approximately 0.2% molybdenum (0.33% MoS₂).

The reader is cautioned that these are “historical” estimates and refer to categories other than the ones required by present day Canadian securities legislation. Since these estimates have not been prepared in compliance with the CIM definitions required by National Instrument 43-101 they should not be relied upon as a reserve classification. Based on these CIM definitions, this material would be categorized as an ‘inferred mineral resource’. Note that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The disclosed potential quantity and grade has been determined on the basis of a 1987 report by G.M. Leary and information contained in the British Columbia Ministry of Energy, Mines and Petroleum Resources MINFILE database. This data has not been verified by either the Company or by Messrs. Sanguinetti and Reynolds.

The 43-101 Report recommends a two-phase, success-contingent exploration program consisting of orthophoto generation, data compilation, grid preparation, 3D-induced polarization surveys and diamond drilling along with access road and trail rehabilitation and geological mapping and prospecting. The prime objective is to confirm and expand the breccia-hosted molybdenum mineralization in the existing defined zones, with emphasis on the deeper high grade material at the Lake Zone. The total estimated costs for the Phase I and Phase II programs is \$1,020,000.

Hi Ho Silver has commenced the initial portion of the Phase I program, which consists of creating a digitized topographic base map (orthophoto) and the compiling and digitizing of old data onto a standardized scale and base. Field work, consisting of approximately 40 line kilometers of surveyed and cut control grid, 30 line kilometers of 3-D induced polarization (IP) survey and geological mapping, is scheduled to commence on September 15th, 2006. If initial results are successful, the Company intends to commence drilling on the Property.

Hi Ho Silver notes that industry support for molybdenum is strong, as indicated by Blue Pearl Mining Ltd.'s recent announcement that it has entered into a commitment letter with UBS Investment Bank with regard to a US\$450 million long-term loan facility for the acquisition of Thompson Creek Metals Company, a privately owned, integrated North American molybdenum producer. Molybdenum currently trades in the range of \$US 25.00 per pound.

GRANT OF STOCK OPTIONS

The Company also announces that it has granted Incentive Stock Options on a total of 1,050,000 shares of the Company's capital stock, exercisable up to two (2) years at an exercise price of \$0.70 per share, to certain of its directors, employees and consultants.

ABOUT HI HO SILVER RESOURCES

Hi Ho Silver is a development stage company engaged in the acquisition and exploration of mineral properties. The Company holds an option to acquire up to a 70% interest in a mineral claim group located in the Greenwood Mining Division of British Columbia, known as the Carmi Property. The Company intends to explore for molybdenum on the Property.

For more information contact Fred Fisher, President, or Isabel Alves, Investor Relations Tel. (905) 602-4653 and email hihosilverinc@yahoo.ca or visit the Company's website at: www.hhsr.ca.

On Behalf of the Board of Directors,
Hi Ho Silver Resources Inc.
Per:

Frederick Fisher
President and Director

The CNQ has not reviewed this news release and does not accept responsibility for the adequacy or accuracy of the content of this news release.

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