Keon Closes Previously Announced Financing and Debt Settlement

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Vancouver, June 23, 2022 - Keon Capital Inc. (TSXV: KEON.H) ("Keon", or the "Company") is pleased to announced that it has completed its previously announced private placement offering of 2,000,000 common shares of the Company ("Common Shares") at a price of $0.25 per share for gross proceeds of $500,000 (the "Private Placement"), and its previously announced shares-for-debt settlement transaction pursuant to which the Company issued 946,544 Common Shares at $0.25 per share to settle Company debts of $236,636, including certain amounts owing to Company insiders (the "Debt Settlement"). The Private Placement and Debt Settlement transactions were first announced in the Company's press release dated April 18, 2022. The Common Shares issued pursuant to the Private Placement and the Debt Settlement are subject to a statutory 4-month hold period. There were no finder's fees or commissions payable in connection with these transactions.

Disclosure Regarding Related Party Transactions

Company insiders, William Murray, a director and officer, Murray Oliver, a director, Nick Furber, an officer and William McCartney, a holder of more than 10% of the outstanding voting shares, of the Company (collectively, the "Creditors") were the counterparties to the Company in the Debt Settlement. In such capacities, the Creditors are able to exercise certain control and direction over the Company, including with respect to their respective participation in the Debt Settlement. The Board therefore determined that (i) each of the Creditors was a "related party" of the Company pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), and (ii) the Debt Settlement constituted a "related party transaction" for the purposes of MI 61-101.

In connection with negotiating and reviewing the terms of the Debt Settlement, John Watson, the one independent and disinterested member (the "Independent Director") of the Company's board of directors (the "Board") considered and reviewed a variety of matters, including an assessment of the Company's liquidity position, financial outlook and financing alternatives reasonably available to the Company, and consulted with the legal advisors. Following his deliberations in respect of the Debt Settlement, the Independent Director determined that it was in the best interests of the Company. The Board (with William Murray and Murray Oliver abstaining) approved the Debt Settlement.

While the Board determined that the Debt Settlement was a "related party transaction", the Debt Settlement was exempted from both the formal valuation requirements and minority approval requirements of MI 61-101 for related party transactions by virtue of Sections 5.5(g) and 5.7(e) of MI 61-101 which provide such exemptions if the issuer is in serious financial difficulty and the transaction is designed to improve the financial position of the issuer (among other criteria).

As part of his deliberations in respect of the Debt Settlement, the Independent Director considered the liquidity and financial and position of the Company, the objectives of the Debt Settlement, and the associated Private Placement financing, and the criteria and conditions with respect to the MI 61-101 financial hardship exemptions described above. In this regard the Board determined that: (i) the Company was in serious financial difficulty, having assets of less than $10,000 and a working capital deficit of $354,641 (based on its interim financial statements for the nine months ended September 30, 2021); (ii) the Debt Settlement, and part and parcel arm's length Private Placement, were designed to improve the financial position of the Company; (iii) without the Debt Settlement, the Company would not have been able to maintain its reporting issuer obligations; and (iv) the terms of the Debt Settlement and Private Placement were reasonable in the circumstances of the Company.

Board Change

Upon completion of the Private Placement and the Debt Settlement, John Watson resigned from the Board, and John McCleery was appointed to fill the resulting board vacancy. Mr. McCleery has been involved in the junior capital markets for over 40 years, primarily in the resource sector. He has served as a director of several reporting issuers and has been a catalyst behind various start-up and early-stage companies.

On behalf of the Board of Directors

"William Murray"

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