Keon Capital Inc. (formerly Prospero Silver Corp.)

Management Discussion and Analysis

For the year ended December 31, 2020

DATE

For the year ended December 31, 2020.
This MD&A includes material occurring up to and including April 28, 2020.

INTRODUCTION

The following Management Discussion and Analysis ("MD&A") of the financial position of Keon Capital Inc. (formerly Prospero Silver Corp.). ("Keon", or the "Company") and results of operations should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2020, (the "Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards. Unless otherwise noted, all amounts in the consolidated financial statements and this discussion and analysis are expressed in Canadian dollars.

The Audit Committee of the Board of Directors of the Company has reviewed and approved this document.

Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "suggests" and similar expressions.

This MD&A contains forward-looking statements. These forward-looking statements are based on current expectations and certain estimates, factors and assumptions. They involve known and unknown risks, uncertainties and other factors.

Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, grade or recovery rates, commodity prices, operating or capital costs; availability of sufficient financing to fund planned or further required work in a timely manner and on acceptable terms; changes in project parameters as plans continue to be refined; failure of equipment or processes to operate as anticipated; and political, regulatory, environmental and other risks of the mining industry.

Subject to applicable laws, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. The material assumptions that were applied in making the forward looking statements in this MD&A include, but are not limited to: any statements regarding estimated mineral resources and the accuracy of any current interpretation of drill and other exploration results; and execution of the Company's existing plans or exploration programs for each of its properties, either of which may change due to changes in the views of the Company or if new information arises which makes it prudent to change such plans or programs.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Risks and Uncertainties".

Description of Business

Historically, since inception, the Company acquired and explored mineral resource properties in Mexico up until late 2019 when the Company sold its Mexican subsidiary, together with all the exploration and evaluation assets (the “Mexican Assets”). Since then the Company has been in the process of reorganizing its capital and evaluating new business opportunities, in mining and other industries. At present, the Company has no material assets and no agreement in principle to acquire a material asset or business. This process has been adversely affected by the COVID-19 crisis.

The Company commenced trading its common shares on the TSX Venture Exchange on January 5, 2010 under the symbol PSL. On January 26, 2021, the Company’s listing was transferred to the NEX Venture market. On March 30, 2021, the Company changed its name to Keon Capital Inc. and the trading symbol changed from PSL.H to KEON.H.

OVERALL PERFORMANCE

As at the date of this Management’s Discussion and Analysis the Company does not conduct any active business, other than the identification and evaluation of acquisition opportunities.. The Company may use cash, bank financing, the issuance of treasury shares, public debt or other equity financing or a combination thereof in order to finance a new business or the acquisition of material assets.

Future operations and the Company’s ability to meet commitments are dependent on the Company’s ability to raise sufficient funding through future borrowing or share offerings. At December 31, 2020, the Company had cash available of $10,318 (2019 - $67,592) and liabilities of $258,908 (2019 - $30,822).

On February 28, 2021, the Company entered into debt extension agreements covering $264,306 of otherwise due and payable liabilities of the Company, including a total of $165,306 owing to directors and officers of the Company. The debt extension agreements provide that amounts covered will be paid, without interest, within five business days of the date that is the earlier of:

i) the date on which the Company successfully completes cumulative common share equity financings of not less than $500,000; and

ii) February 28, 2023

Concurrently, the Company secured agreements to: (a) terminate existing employee, management and consulting service agreements, including an agreement with the Company’s CEO, without any further payment or penalty, effective February 28, 2021; and (b) cancel all existing outstanding employee, director and consulting share purchase option agreements.

On March 9, 2021 the Company announced that it had secured loan agreements in the aggregate amount of $50,000, including $27,500 from Company directors. The loans are unsecured and bear interest calculated at 10% per annum. Repayment will be on the same terms as the debt extension agreements described above.

On February 11, 2021 the Company consolidated its share capital on a three to one basis. Previously, on July 7, 2020, the Company consolidated its share capital on a ten for one basis All share and per share information in these consolidated financial statements have been restated to retroactively reflect these consolidations for all periods presented.

During the year ending December 31, 2020, the Company used $83,754 cash in operations (2019 - $306,695), recovered $16,480 cash from investing activities (2019 – used $100,076) and the Company secured $10,000 proceeds from a loan in financing activities (2019 – $Nil).

The financial statements have been prepared on a "going concern basis", meaning the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of operations. A different reporting framework for measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

FINANCIAL SUMMARY

SELECTED ANNUAL PERFORMANCE

Operating

	December 31, 2020	December 31, 2019	December 31, 2018
Total Revenues	NIL	NIL	NIL
Net Loss	323,850	4,080,505	2,095,854
Net income (loss) per share (Basic and diluted)	(0.169)	(2.130)	(1.380~~094~~)
Total Assets	15,291	111,055	4,182,238
Total long term financial liabilities	NIL	NIL	NIL

Losses decreased as the Company scaled activities down and preserved cash. Assets decreased year over year due to the impairment and later sale of all mineral interests. The Company did not declare any dividends.

Cash Flow analysis:

Operating activities: The Company had no revenues from operations during the year ended December 31, 2020, or the year ending December 31, 2019. During the year ending December 31, 2020, the Company used $83,754 (2019 - $306,695) cash in operating activities.

Investing activities: During the year ending December 31, 2020 the Company raised $16,480 from the sale of Marketable securities and in the prior year during the same quarter spent $100,076 net on investing activities. The Company spent $550,838 on its mineral interests, raised $436,484 through its option proceeds, $7,739 from the sale of Marketable securities and $6,539 from the sale of subsidiary.

In the fourth quarter of 2019 the Company sold the Mexican Assets for cash purchase price of US$5,000, and assumption of all statutory liabilities and obligations of the subsidiary in Mexico, including property maintenance and abandonment, statutory employee severance, and tax obligations, estimated to aggregate to US$95,000 by the third-party purchaser. The terms of the agreement required that it complete by December 31, 2019, such timing being driven by the Company no longer being able to fund the Mexican Assets obligations and tax law considerations under Mexican tax law. The sale gave rise to no commissions, finder's fees or other collateral payments by or to the Company, or to any of its directors and officers.

Financing activities: During the year ending December 31, 2020 the Company raised $10,000 through financing activities, from a loan (2019 - $Nil).

During the year ending December 31, 2020 there was a net decrease of cash of $57,274 (2019 - $406,771).

RESULTS OF OPERATIONS

Net loss before other items, for the year ending December 31, 2020 totaled $314,287 compared to a net loss of $3~~2~~64,880 during the prior year, reflecting an overall decrease in loss of $50,593. The overall decrease in expenses reflects the steps taken by management to preserve cash. The overall loss for the year ending December 31, 2020 was $323,850 compared to $4,080,505, being a decrease of losses of $3,756,655. The current loss includes the loss on sale of marketable securities of $9,497 under other items compared to a unrealized gain on marketable securities under other items during the prior period of $~~5,843~~2,612.

Most of the line-item decreases can be explained by ultra conservative spending of the Company.

Significant line-item changes were as follows:

- Travel decreased by $58,247 from $60,876 to $2,629 due to the sale of the Mexican operations and COVID restrictions.
- Consulting fees of $68,790 (2019 - $Nil) increased as the Company has engaged consultants to assist in the execution of the Company's business plan.
- Salaries and wages decreased by $66,231 from $66,231 to $Nil due to cut backs.
- Corporate fees increased with $60,500 as corporate expense was accrued to various parties including a company controlled by a related party. These amounts were converted into loans in 2021.
- Investor relation expenses decreased by $44,500 from $44,500 to $Nil due to cut backs.
- Share based compensation of $Nil decreased $21,754 from the prior period due to decreased vesting schedules of stock options issued prior.
- Foreign exchange losses decrease by $1,731 from $2,726 to $995 due to less foreign exchange transactions.
- Office and miscellaneous decreased by $27,370 from $31,347 to $3,977 due to the reduction in operating activities.

SUMMARY OF QUARTERLY RESULTS

The summary of the Company's quarterly results is as follows:

Three Months Ended	Dec. 31 2020 $	Sep 30 2020 $	Jun 30 2020 $	Mar 31 2020 $	Dec. 31 2019 $	Sep. 30 2019 $	Jun 30 2019 $	Mar 31 2019 $
Total revenues	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	(79,421)	(95,966)	(73,060)	(75,403)	(3,709,243)	(96,308)	(99,134)	(175,820)
Net loss per share – Basic and diluted	(0.04)	(0.05)	(0.04)	(0.04)	(1.94)	(0.05)	(0.05)	(0.09)

LIQUIDITY

As at December 31, 2020 the Company had cash resources of $10,318 and accounts payable and accrued liabilities and loans payable of $258,908 for a working capital deficit (current assets less current liabilities) of $248,590 compared to December 31, 220 when the Company had cash resources of $67,592, other current assets of $43,463 and accounts and payable and accrued liabilities and loans payable of $30,822 for working capital of $80,233.

Subsequent to December 31, 2020 the Company has taken significant steps to improve its liquidity which include:

- On February 28, 2021, the Company entered into debt extension agreements covering $264,306 of otherwise due and payable liabilities, the majority of which were which were included accounts payable on December 31, 2020. This included a total of $165,306 owing to directors and officers of the Company. The debt extension agreements provide that amounts covered will be paid, without interest, within five business days of the date that is the earlier of:
  iii) the date on which the Company successfully completes cumulative common share equity financings of not less than $500,000; and
  iv) February 28, 2023

- On March 9, 2021 the Company announced that it had secured loan agreements in the aggregate amount of $50,000, including $27,500 from Company directors. The loans are unsecured and bear interest calculated at 10% per annum. Repayment will be on the same terms as the debt extension agreements described above.

- The Company secured agreements to: (a) terminate existing employee, management and consulting service agreements, including an agreement with the Company's CEO, without any further payment or penalty, effective February 28, 2021; and (b) cancel all existing outstanding employee, director and consulting share purchase option agreements.

EXPLORATION EXPENDITURES

During the year ending December 31, 2020 the Company had no exploration activity. During the year ending December 31, 2019 the Company spent a total of $550,838 on exploration and evaluation of assets. All expenditures on exploration properties totaled $Nil (2019 - $1,427,786). The majority of the work during the prior year, where the Company concentrated its efforts on the Pachuca SE property, where $1,311,502 was spent. The Pachuca SE property and all the other Mexican Assets were sold on December 27, 2019. Full details on exploration expenditures are disclosed in Note 6 accompanying the audited consolidated financial statements for the year ended December 31, 2020.

Contingent obligations and commitments

As of the date of this MD&A, the Company had no contingent obligations.

OFF BALANCE SHEET ARRANGEMENTS:

The Company has no off-balance sheet arrangements that would potentially affect current or future operations, or the financial condition of the Company.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. For details of related party transactions, the reader is directed to Note 10 and comments included in the audited annual consolidated financial statements for the year ended December 31, 2020. Additional details are as follows:

As at December 31, 2020 a total amount of $121,806 (December 31, 2019 - $4,862) was due to Directors and Companies controlled by directors and officers of the Company. The amount is unsecured, non-interest bearing and has no fixed date of repayment.

The Company incurred a $120,000 fee to a company controlled by a director of the Company which was allocated equally ($40,000 each) between corporate fees, accounting fees and legal fees for accounting purposes. Directors' fees were $516 (2019 - $60,000) for the year ending December 31, 2020 and 2019. Consulting fees of $1,290 (2019 - $Nil) accrued to an officer of the Company. A company officer and director received $Nil (2019 - $82,747) for geological and administrative services. Companies controlled by directors of the Company received $Nil (2019 - $29,988) for geological and administrative services, which are included in deferred exploration services. A company controlled by an officer of the Company received $Nil (2019 - $44,500) for investor relations services. Stock-based compensation of $Nil (2019 - $24,367) were recorded as vesting for options issued during prior periods.

Share transactions

Following a September 2018 private placement with Fortuna as the only subscriber, consisting of ~~474,667~~158,222 common shares for gross proceeds of $356,000, Fortuna owned an aggregate of ~~1,546,095~~515,365 shares in Prospero, or approximately 26.9% of the Company's issued share capital. Fortuna's participation in this private placement is considered to be a related party transaction.

During the year ending December 31, 2019 the Company issued shares with a fair value of $Nil

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Then consolidate 10
Consolidate 3
Therefore 158,222 shares

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FOURTH QUARTER RESULTS

For the three months ending December 31, 2020 the Company had a loss of $79,421 compared to a loss of $3,709,243 for the three-month period ending December 31, 2019. The main reason for the large loss in the fourth quarter of the prior year was due to the recognition of the loss on the sale of the subsidiary of $3,719,158.

The significant line-item changes were as follows:

- Loss on sale of subsidiary decreased by $3,719,158 from $3,719,158 to $Nil
- Foreign exchange gains decreased by $39,208 from a gain of $39,213 to $5 due to less foreign exchange transactions.
- Travel decreased by $4,030 from $4,030 to $Nil due to conservative spending and COVID restrictions.
- Consulting fees of $23,790 (2019 - $Nil) increased as the Company has engaged consultants to assist in the execution of the Company's business plan.
- Salaries and wages decreased by $5,157 from $5,157 to $Nil due to cut backs.
- Directors' fees increased by $516 from $Nil to $516 due to payment of new directors since the AGM.
- Professional fees of $74,269 increased with $64,203 from $10,066 during the prior period due to increased spending on accounting to comply with filing obligations.
- Office and miscellaneous decreased by $2,658 from $3,338 to $680 due to conservative spending.

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PROPOSED TRANSACTIONS

The Company had no material proposed transactions.

CRITICAL ACCOUNTING ESTIMATES

The accounting estimates considered to be significant to the Company are the carrying value of mineral property interests including acquisition costs and deferred exploration expenditures.

Management reviews the carrying values of mineral property interests on a periodic basis and recognizes impairment in value based upon: current evaluation results; the prospect of further work being carried out by the Company on each particular property; the assessment of future probability of profitable operations from the property; or, from the sale of the property. Amounts shown for mineral property interests represent costs incurred net of write-downs and recoveries and are not intended to represent present or future values.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting standards issued and applied where applicable

(i) IFRS 16 Leases

IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. The adoption of this standard had no impact as the Company does not have any leases.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

RECENT ACCOUNTING PRONOUNCEMENTS & FUTURE ACCOUNTING POLICIES

Accounting standards issued but which have not yet been adopted

Adoption and assessment of impact

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

RISK FACTORS

Risks and uncertainties

The Company is subject to a number of risks and uncertainties that may significantly impact its financial conditions and future financial performance. Prospective investors should carefully consider the risks described below, together with all of the other information included in this Management's Discussion and Analysis before making an investment decision.

No Operating History

Since the sale of the Mexican Assets the Company has not commenced commercial operations. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Competition

The Company is in the process of evaluating business opportunities which is a competitive market. There is no assurance that the Company will be successful.

Availability of Financing

The Company will be competing with other companies in the capital market for available financing. There is no assurance that the Company will be able to obtain sufficient financing, if at all.

Financial instruments

The Company's financial instruments consist of cash, receivables, accounts payable and marketable securities. Cash consists of bank deposits. The Company has no asset backed commercial paper. The fair values of the financial instruments approximate their amortized cost value due to their short-term nature. The majority of the Company's cash is held through a major Canadian chartered bank. The Company also maintained deposits for ongoing working capital at large banks in the jurisdiction in which its foreign subsidiary operates.

A portion of the Company's financial assets and liabilities was denominated in foreign currencies giving rise to risks from changes in foreign exchange rates. The Company was exposed to currency exchange rate risks to the extent of its activities in Mexico. The Company sold its Mexican subsidiary and all the exploration and evaluation assets on December 27, 2019. The Company's currency risk is presently $Nil.

OTHER

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally and a consequent economic downturn. It has also disrupted the normal operations of many businesses, including the Company's. This outbreak could decrease spending, adversely affect demand for the Company's product and harm the Company's business and results of operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

OUTSTANDING SHARE CAPITAL

On July 07, 2020 the Company consolidated its share capital on a ten to one basis, and on February 11, 20221~~0~~ the Company consolidated its share capital on a three to one basis. All share and per share information in these consolidated financial statements and management, discussion and analysis have been restated to retroactively reflect this consolidation for all periods presented.

At the date of this management discussion and analysis, the Company had the following number of securities outstanding:

Securities	Number	Exercise Price	Expiry Date
Common shares issued and outstanding	1,915,728	N/A	N/A
Share purchase warrants	NIL	N/A	N/A
Share purchase options	NIL	N/A	N/A
Fully diluted share Capital	1,915,728	N/A	N/A

ADDITIONAL INFORMATION

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at http://www.prosperosilver.comand by accessing the Company's news releases and filings on the SEDAR website: www.sedar.com.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR (www.SEDAR.com) No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.