

## KEWEENAW LAND ASSOCIATION, LIMITED ANNOUNCES UPDATE ON CORPORATE GOVERNANCE MATTERS

IRONWOOD, MI – August 1, 2018

James A. Mai, Chairman of Keweenaw Land Association, Limited (KEWL:OTC Pink) has issued the following statement:

I would like to update you on certain corporate governance matters in advance of our second quarter earnings report, which we expect to issue in mid-August.

During the proxy contest, in a letter dated March 23, 2018, the company disclosed that, "... a change in control of the Company could cause the loss of experienced senior management and trigger employment contract provisions that would cost in excess of one million dollars".

Often a change of control contract is implemented as a retention device for key executives to protect them economically, primarily when the executive is terminated without cause, which often occurs shortly after the sale of a company.

Keweenaw's change of control agreements, however, allowed the covered executives to trigger payments by simply resigning. The contracts called for full payment on the same date as employee's resignation, and there was no obligation for continuing services or any form of transition. Claims were asserted under these contracts by Chairman David Ayer who resigned effective May 9, 2018, by Controller and Treasurer James J. Simmons, Jr. who resigned effective June 1, and prospectively by President/CEO Brian Glodowski.

With the assistance of legal counsel, directors performed an extensive evaluation and the board held a series of meetings to evaluate the legal and financial implications under various scenarios. Ultimately, the board unanimously determined that the best interests of the company were served by settling these matters with each of Messrs. Ayer, Glodowski and Simmons. The Company expects to take nonrecurring charges in the second, third and fourth quarters of 2018 for payments related to the agreements with Messrs. Ayer, Glodowski and Simmons, as well as a retention payment to Mr. Glodowski, legal expenses, and executive search expenses. We currently estimate this figure at \$1.7 million dollars.

Most importantly, the resolution preserves management continuity. In terms of the accounting function, Bonnie Estola has been hired as Controller and will serve as Treasurer. Jim Simmons will provide consulting services as necessary, for preparation of quarterly financial statements as well as the company's 2018 financial audit and tax returns. An executive search committee has been created, and a search firm retained to assist the committee in identifying a new CFO.

Turning to the CEO front, I would like to thank Brian Glodowski for his commitment to do the right thing for shareholders and the company. Brian and I have had extensive discussions over the last few months about his ongoing role at the company. He has expressed a desire to move away from day-to-day 'line management' responsibilities at some point during 2019. Given this, the executive search committee has been tasked with identifying candidates for a senior executive to take over Brian's daily responsibilities.

In terms of other corporate governance items, the board has reconstituted the audit, compensation and nominating committees, as reflected on the Company's website. The Company also thanks John Earhart, who resigned effective May 4, for his service as a director.

Historically, your company has reported second quarter earnings in the third week of July. Going forward, we will adopt a more typical timeline for reporting which is 45 days after quarter end and 90 days after year end. As such, we expect to report second quarter results in the next few weeks.

Now that we have resolved the issues with the change of control contracts and have a clear plan in place for management succession, we have turned our focus on achieving our platform commitments and refining the company's strategic plan. We are focused on achieving our operational goals outlined during the proxy campaign, including the development and implementation of strategies to increase cash flows, and ultimately the intrinsic value of your company. As a board, we take our fiduciary responsibilities very seriously and appreciate your ongoing trust and support. We look forward to providing you more information along with second quarter earnings.

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Forward-Looking Statements: This letter contains forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties and should not be relied upon as predictions of future events or promises of a given course of action. A number of factors such as changing economic conditions, price fluctuations, land use, environmental and other governmental regulations, and risk of loss from natural disasters, could cause actual results to differ materially from those described in the forward-looking statements. As with any investment, past performance is not a guarantee of future results.

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About Keweenaw Land Association, Limited: Keweenaw is a forest products and land management company located in Ironwood, Michigan. Keweenaw has land holdings of approximately 185,750 surface acres and over 400,000 acres of mineral rights, located predominantly in the western Upper Peninsula of Michigan and northern Wisconsin. Keweenaw shares trade in the OTC Markets under the Pink directory with 1,301,550 shares outstanding. Additional information is available on the company's website at [www.keweenaw.com](http://www.keweenaw.com).

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