



**1801 East Cloverland Drive, PO Box 188
Ironwood, MI 49938**

Notice of Special Meeting of Shareholders to Be Held on December 20, 2021

To our Shareholders:

We are pleased to announce that a special meeting of shareholders of Keweenaw Land Association, Limited (“KLA” or the “Company”) will be held virtually, in lieu of an in-person meeting, on December 20, 2021, at 9:00 a.m., Central Time (the “Special Meeting”). Shareholders of record who attend the virtual meeting will be able to participate, vote shares electronically and submit questions prior to and during the meeting as described below and in more detail in the accompanying proxy statement.

To join the meeting:

1. Go to: register.proxypush.com/kewl
2. Enter the control number provided on your proxy card

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors of Keweenaw Land Association, Limited. The proxies are being solicited for use at the Special Meeting and at any and all adjournments of the meeting. The meeting is being held for the purpose of considering and voting on the following matters:

1. To approve the sale (the “Timberland Asset Sale”) by the Company of substantially all of its timberland assets located in Michigan and Wisconsin with a gross area of approximately 177,770 acres and equipment, machinery and personal property of the Company utilized in connection with its ownership and operation of the timberland assets (collectively the “Timberland Assets”), to an entity managed by a large institutional timberland investment manager, pursuant to that certain Purchase and Sale Agreement, dated as of November 19, 2021, by and among Keweenaw Land Association, Limited (“Seller”), the purchasing entity (“Buyer”), and Associated Title & Closing Services Agency, Inc. (“Title Company” and “Escrow Agent”), as it may be amended from time to time (the “Purchase and Sale Agreement”). This proposal is referred to herein as the “Timberland Asset Sale Proposal.”
2. To approve a plan of partial liquidation (the “Plan of Partial Liquidation”) pursuant to which KLA will make a special distribution of net proceeds from the Timberland Asset Sale to each shareholder of record as of the closing of the Timberland Asset Sale and thereafter operate a substantially contracted mineral and real property business. We estimate this special distribution will equal approximately \$100 on a per share basis, payable in two installments as follows: an initial distribution of approximately \$92 per share payable on or before December 31, 2021 to shareholders of record as of the closing date, and a second distribution of approximately \$8 per share payable on or before December 31, 2022 to shareholders of record as of a future record date to be established for such purpose. This proposal is referred to herein as the “Plan of Partial Liquidation Proposal” beginning on page 13.
3. To approve the adjournment or postponement of the Special Meeting to a later date, if necessary or appropriate, to allow for the solicitation of additional proxies in favor of the proposal to approve the

Timberland Asset Sale and Plan of Partial Liquidation, if there are insufficient votes to approve these proposals. This proposal is referred to herein as the “Proposal to Adjourn or Postpone the Special Meeting.”

The KLA board of directors has fixed the close of business on November 22, 2021 as the record date for the Special Meeting. Only KLA shareholders of record as of this date are entitled to receive notice of, and to vote at, the Special Meeting or any adjournment of the Special Meeting. For more information about the meeting and how to submit your proxy in advance of the meeting, please refer to the Questions and Answers included in this proxy statement.

The KLA board of directors has unanimously adopted the Purchase and Sale Agreement and authorized and approved the sale and the transactions contemplated thereby, and it unanimously recommends that KLA shareholders vote “**FOR**” the proposal to approve the Timberland Asset Sale and the Purchase and Sale Agreement, “**FOR**” the Plan of Partial Liquidation, and “**FOR**” the Proposal to Adjourn or Postpone the Special Meeting.

Your vote is important. Whether or not you expect to attend the Special meeting, please vote your shares as promptly as possible by (i) visiting the internet site listed on the proxy, (ii) calling the toll-free number listed on the proxy, or (iii) submitting your proxy by mail by using the provided self-addressed, stamped envelope. We would appreciate receiving your proxy vote by Friday, December 17, 2021. The proxy voting card is attached hereto as Annex B.

The enclosed proxy statement provides a detailed description of the Timberland Asset Sale and the Purchase and Sale Agreement and the other matters to be considered at the Special Meeting. We urge you to carefully read the proxy statement, including the Annexes in their entirety.

By Order of the Board of Directors,



James A. Mai
Chairman

November 24, 2021

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* To be voted on at the meeting

November 24, 2021

**Keweenaw Land Association, Limited
1801 East Cloverland Drive, PO Box 188
Ironwood, MI 49938**

**Proxy Statement
For the Special Meeting of Shareholders
To Be Held on December 20, 2021**

This proxy statement is furnished in connection with the solicitation of proxies by the board of directors (the “Board” or “Board of Directors”) of Keweenaw Land Association, Limited (the “Company”, “we”, “our” or “KLA”). The proxies are being solicited for use at the Special Meeting of Shareholders to be held virtually, in lieu of an in-person meeting, on Monday, December 20, 2021, at 9:00 a.m., Central Time. Shareholders who attend the virtual meeting will be able to participate, vote shares electronically and submit questions prior to and during the meeting as described below, and at any and all adjournments or postponements of the meeting. The Company has appointed EQ (Equiniti) Shareowner Services to act as the Inspector of Election at the Company’s Special Meeting of Shareholders. Distribution of this proxy statement is scheduled to begin on or about November 24, 2021.

You are cordially invited to vote your shares via the enclosed proxy card (or by following any instructions provided by your broker) and/or attend the meeting and cast your vote virtually. If you currently plan to attend the meeting via the live webcast, we recommend that you submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting. If you are a street name holder, i.e. you hold your shares in a brokerage account, you may vote your shares virtually at the meeting only if you obtain a signed letter or other document from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

All costs of soliciting proxies will be borne by us. Our directors, officers, and other employees, may without compensation other than their regular compensation, solicit proxies by further mailing or personal conversation, or by telephone, facsimile or electronic means. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their out-of-pocket expenses for forwarding soliciting material to our shareholders.

Voting at the Meeting

The Board of Directors has set November 22, 2021 as the record date for the Special Meeting. If you were a shareholder of record at the close of business on the record date, November 22, 2021, you are entitled to receive notice of the Special Meeting and to vote your shares at the Special Meeting. Holders of KLA common stock are entitled to one vote per share.

At least a majority of the shares of our common stock outstanding on the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the meeting if:

- you are present and vote at the meeting (virtual attendance constitutes in-person attendance for purposes of the Special Meeting); or
- you have properly submitted a proxy by mail, telephone or internet.

As of November 22, 2021, 1,296,173 shares of our common stock were outstanding and entitled to vote. Proxies that are received and voted as withholding authority, abstentions, and broker non-votes (where a bank, broker or nominee does not exercise discretionary authority to vote on a matter) will be included in the calculation

of the number of shares considered to be present at the meeting.

To join the meeting:

1. Go to: register.proxypush.com/kewl
2. Enter the control number provided on your proxy card

If you submit a signed proxy card or submit your proxy by telephone or internet and do not specify how you want to vote your shares, the proxies will vote your shares:

- FOR the proposal to approve the Timberland Asset Sale and the Purchase and Sale Agreement;
- FOR the proposal to approve the Plan of Partial Liquidation; and
- FOR the proposal to Adjourn or Postpone the Special Meeting; and
- In the discretion of the persons named as proxies as to all other matters that may be properly presented at the Special Meeting.

You may revoke your proxy and change your vote at any time before your proxy is voted at the Special Meeting. If you are a shareholder of record, you may revoke your proxy and change your vote by submitting a later-dated proxy by telephone, internet or mail, by voting at the meeting, or by delivering to our Secretary a written notice of revocation. Attending the meeting will not revoke your proxy unless you specifically request to revoke it.

Question and Answers

Q: Why am I receiving this proxy statement and prospectus and what will I be asked to vote on?

A: The Company has entered into an agreement to sell its Timberland Assets, to an entity managed by a large institutional timberland investment manager. The agreement provides for a cash settlement, subject to certain adjustments, as specified in the Purchase and Sale Agreement. As a shareholder of KLA, you are being asked to approve the Timberland Asset Sale and the Purchase and Sale Agreement.

You are also being asked to vote on a Plan of Partial Liquidation, pursuant to which each shareholder of record of KLA common stock issued and outstanding at the close of business on the closing date of the Timberland Asset Sale (as defined in the Purchase and Sale Agreement) will be entitled to receive a special distribution of distributable proceeds from the transaction in partial liquidation of the business of the Company. We estimate this special distribution will equal approximately \$100 on a per share basis, payable in two installments as follows: an initial distribution of approximately \$92 per share payable on or before December 31, 2021 to shareholders of record as of the closing date, and a second distribution of approximately \$8 per share payable on or before December 31, 2022 to shareholders of record as of a future record date to be established for such purpose. The Plan of Liquidation also provides that the Company will keep and operate its remaining mineral business. Please see “Plan of Partial Liquidation and Post-Closing Operation of KLA” beginning on page 13.

Q: Will I continue to own shares of KLA following the Partial Liquidation? What will those shares be worth?

A: Yes, you will continue to own the same number of shares of KLA common stock following the closing of the Timberland Asset Sale and the Partial Liquidation of the Company as you own immediately prior to the transaction. We anticipate the OTC market price of the KLA shares will decline in value substantially from their pre-transaction value, as the market adjusts to the fact that the Company has sold its Timberland Assets and substantially contracted its continuing business. We are unable to predict how the market will price the shares or whether an active trading market will exist.

Q: When and where will the Special Meeting take place?

A: The Special Meeting will be held virtually on Monday, December 20, 2021 at 9:00 a.m., Central Time. To join the meeting:

1. Go to: register.proxypush.com/kew1
2. Enter the control number provided on your proxy card

Shareholders who attend the Special Meeting will be able to participate, vote shares, and submit questions during the meeting. A support line will be available on the website for any questions on how to participate in or vote at the Special Meeting.

Q: Who is entitled to vote at the Special Meeting?

A: The Board of Directors has set November 22, 2021 as the record date for the Special Meeting. If you are a shareholder of record at the close of business on the record date, November 22, 2021, you are entitled to receive notice of the meeting and to vote your shares at the meeting.

Q: What constitutes a quorum at the Special Meeting?

A: At least a majority of the shares of our common stock outstanding on the record date must be present at the Special Meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the Special Meeting if:

- you are present and vote at the meeting; or
- you have properly submitted a proxy by mail, telephone or internet.

As of the date of this proxy statement, 1,296,173 shares of our common stock are outstanding and entitled to vote. Proxies that are received and voted as withholding authority, abstentions, and broker non-votes (where a bank, broker or nominee does not exercise discretionary authority to vote on a matter) will be included in the calculation of the number of shares considered to be present at the meeting.

Q: How many votes do I have?

A: On each matter submitted to a vote, holders of KLA common stock are entitled to one vote per share.

Q: What vote is required to approve each proposal?

A: Both the proposal to approve the Timberland Asset Sale and Purchase and Sale Agreement and the Proposal to approve the Plan of Partial Liquidation require the affirmative vote of a majority of the issued and outstanding shares of KLA common stock entitled to vote at the Special Meeting. Failures to vote and abstentions will have the same effect as a vote against these proposals.

Q: What is the record date for the Special Meeting and what does it mean?

A: Holders of our common stock as of the close of business on November 22, 2021, the record date for the Special Meeting, are entitled to notice of, and to vote at, the Special Meeting and any postponements or adjournments of the Special Meeting.

Q: What will happen if the Timberland Asset Sale and Plan of Partial Liquidation are approved by our shareholders?

A: If the Timberland Asset Sale is approved by the requisite shareholder vote and the other conditions to the consummation of the Timberland Asset Sale are satisfied or waived, we will sell substantially all of our timberland assets, excluding mineral rights, to the Buyer on the terms set forth in the Purchase and Sale Agreement. If the Plan of Partial Liquidation is approved, each shareholder of KLA common stock issued and outstanding will be entitled to receive a special distribution of distributable proceeds from the transaction in partial liquidation of the business of the Company. We estimate this special distribution will equal approximately \$100 on a per share basis, payable in two installments as follows: an initial distribution of approximately \$92 per share payable on or before December 31, 2021, and a second distribution of approximately \$8 per share payable on or before December 31, 2022. The Plan of Partial Liquidation also provides that the Company will continue to operate its remaining mineral business. Please see “Plan of Partial Liquidation and Post-Closing Operation of KLA” beginning on page 13.

Q: What will happen if the Timberland Asset Sale is not approved?

A: Pursuant to the terms of the Purchase and Sale Agreement, if we fail to obtain a shareholder vote in favor of the Timberland Asset Sale Proposal, the Timberland Asset Sale will not occur and the Plan of Partial Liquidation will not be adopted. The Company will be required to reimburse Buyer for its reasonable transaction expenses, up to \$350,000.

Q: What will happen if the Timberland Asset Sale is approved but the Plan of Partial Liquidation is not approved?

A: The Board of Directors believes the Plan of Partial Liquidation is in the best interest of the shareholders and recommends the shareholders vote “FOR” the Plan of Partial Liquidation. However, if the Plan of Partial Liquidation is not approved by the shareholders, the Board of Directors will retain discretion pursuant to the Michigan Business Corporation Act to proceed with the Plan of Partial Liquidation or to otherwise design and adopt an alternative plan for establishing a contingency reserve, determining a special distribution and charting the course of continued operation of the Company’s remaining business.

Q: If consummated, how will the proceeds from the Timberland Asset Sale be used?

A: After satisfying certain obligations, the proceeds from the Timberland Asset Sale, subject to certain adjustments, will be returned to shareholders. Please see the “Plan of Partial Liquidation Proposal” beginning on page 13 for a use of proceeds schedule.

Q: What does our Board of Directors recommend regarding the Timberland Asset Sale and the Plan of Partial Liquidation Proposals?

A: Our Board of Directors has determined that the terms and conditions of the Purchase and Sale Agreement and the transactions contemplated thereby, including the Timberland Asset Sale, are advisable to, and in the best interests of, the Company and its shareholders. The Board has also determined that the Plan of Partial Liquidation is advisable to, and in the best interests of, the Company and its shareholders. These determinations were made by unanimous vote of the members of our Board of Directors. Our Board of Directors recommends that you vote “FOR” the Timberland Asset Sale Proposal and “FOR” the Plan of Partial Liquidation Proposal.

Q: How do I vote if I am a shareholder of record?

A: If you are a record holder of KLA common stock at the close of business on November 22, 2021, the record date for the Special Meeting, you may vote at the Special Meeting, or you may authorize a proxy to vote by internet, telephone or mail 24 hours a day, 7 days a week using the instructions below:

- visiting the internet site listed on the proxy and following the instructions provided on that site anytime until 1:00 a.m. Central Time December 20, 2021; or
- submitting your proxy by mail by using the provided self-addressed, stamped envelope before December 10, 2021;
- calling the toll-free number listed on the proxy and following the instructions provided in the recorded message anytime until 1:00 a.m. Central Time on December 20, 2021.

We encourage you to submit your proxy whether or not you plan to attend the meeting so that your vote is counted even if you decide to not attend the meeting later.

Q: Do I have Dissenter's Rights? What happens if I vote against the Timberland Asset Sale?

A: To the extent that the Timberland Asset Sale may be deemed to constitute a sale of substantially all of the assets of KLA within the meaning of Section 762 of the Michigan Business Corporations Act (the "MBCA"), KLA's shareholders may have the right to assert and exercise dissenters' rights with respect to the Timberland Asset Sale. Any dissenting shareholder interests pursuant to the MBCA will have the right to receive payment from KLA of the "fair value" of their shares determined in accordance with the MBCA. KLA common stock held by shareholders who properly demand payment of the fair value of such shares pursuant to, and who comply in all respects with, Section 761 through Section 774 of the MBCA (the "Dissenters' Rights Rules") shall have those rights, but only those rights, set forth by the Dissenters' Rights Rules and applicable law.

For more information, see Annex C – Dissenters Rights Rules under the MBCA. Please note that the procedure indicated herein does not constitute legal advice and shareholders should consult with their respective legal advisors to exercise their dissenters' rights under the MBCA.

Q: What happens if I don't exercise my dissenters' rights?

A: Any eligible person who is entitled to demand payment of fair value for their shares, but fails to exercise their dissenters' rights under the Dissenters' Rights Rules and applicable law, or otherwise waives, withdraws or loses the right to receive payment of fair value under the Dissenters' Rights Rules, shall, to the fullest extent permitted by law, have the right to receive their share of the Timberland Asset Sale consideration pursuant to the Plan of Partial Liquidation, without any interest thereon, in accordance with the terms of the Plan of Partial Liquidation.

Q: Are any governmental approvals required in connection with the Timberland Asset Sale?

A: We believe we are not required to obtain any material governmental consents or approvals before the consummation of the Timberland Asset Sale. If any approvals or consents are required to consummate the Timberland Asset Sale, we will seek such consents or approvals as promptly as possible.

Q: When is the closing of the Timberland Asset Sale expected to occur?

A: If the Timberland Asset Sale is approved by our shareholders and all conditions to completing the Timberland Asset Sale are satisfied or waived, the closing of the Timberland Asset Sale is expected to occur on or about December 27, 2021.

Q: Is there anything else I should complete to become eligible to receive the Timberland Asset Sale consideration?

A: No. Pursuant to the Plan of Partial Liquidation, a special distribution will be made to the Company's shareholders who are shareholders of record as of the date set for the distribution. The Company will issue a press release announcing the distribution dates.

Q: What will happen if I return my proxy without indicating how to vote?

A: If you submit a signed proxy or submit your proxy by telephone or internet and do not specify how you want to vote your shares, the proxies will vote your shares:

- FOR the approval of the Timberland Asset Sale and the Purchase and Sale Agreement;
- FOR the approval of the Plan of Partial Liquidation;
- FOR the Proposal to Adjourn or Postpone the Special Meeting; and
- In the discretion of the persons named as proxies as to all other matters that may be properly presented at the Special Meeting.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: You may revoke your proxy and change your vote at any time before your proxy is voted at the Special Meeting. If you are a shareholder of record, you may revoke your proxy and change your vote by submitting a later-dated proxy by telephone, internet or mail, by voting at the meeting, or by delivering to our Secretary a written notice of revocation. Attending the meeting will not revoke your proxy unless you specifically request to revoke it.

Q: Who can help answer my questions?

A: Shareholders of KLA who have questions about the Timberland Asset Sale, other matters to be voted on at the Special Meeting, how to submit a proxy or election form, or who desire additional copies of this proxy statement or additional proxies or letters of transmittal, should contact:

Keweenaw Land Association, Limited
1801 East Cloverland Drive, PO Box 188
Ironwood, MI 49938
(906) 932-3410
investors@keweenaw.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

THIS PROXY STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS THAT HAVE BEEN MADE PURSUANT TO PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. FORWARD-LOOKING STATEMENTS REPRESENT KLA’S EXPECTATIONS OR BELIEFS CONCERNING FUTURE EVENTS, INCLUDING ANY STATEMENTS REGARDING: THE SATISFACTION OF CERTAIN CLOSING CONDITIONS SPECIFIED IN THE PURCHASE AND SALE AGREEMENT, KLA’S ABILITY TO SUCCESSFULLY CLOSE THE TIMBERLAND ASSET SALE AND THE TIMING OF SUCH CLOSING, THE DIVERSION OF MANAGEMENT’S FOCUS AND ATTENTION PENDING THE COMPLETION OF THE TIMBERLAND ASSET SALE, THE IMPACT OF THE ANNOUNCEMENT OF THE TIMBERLAND ASSET SALE ON THE TRADING PRICE OF OUR COMMON STOCK, ON OUR BUSINESS AND ON OUR RELATIONSHIPS WITH OUR CUSTOMERS, SUPPLIERS, PARTNERS AND EMPLOYEES, THE RECEIPT AND USE OF THE CASH CONSIDERATION TO BE RECEIVED BY KLA UNDER THE PURCHASE AND SALE AGREEMENT, THE SUFFICIENCY OF KLA’S CASH BALANCES AND CASH USED IN OPERATIONS, FINANCING AND/OR INVESTING ACTIVITIES FOR KLA’S FUTURE LIQUIDITY AND CAPITAL RESOURCE NEEDS, AND MANAGEMENT’S PLANS AND EXPECTATIONS FOR THE FUTURE. WITHOUT LIMITING THE FOREGOING, THE WORDS “BELIEVES,” “INTENDS,” “PROJECTS,” “PLANS,” “EXPECTS,” “ANTICIPATES” “ESTIMATES” AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY FROM THESE PROJECTIONS. INFORMATION REGARDING THE RISKS, UNCERTAINTIES AND OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE RESULTS IN THESE FORWARD-LOOKING STATEMENTS ARE DISCUSSED UNDER THE SECTION “RISK FACTORS” IN THIS PROXY STATEMENT. PLEASE CAREFULLY CONSIDER THESE FACTORS, AS WELL AS OTHER INFORMATION CONTAINED HEREIN AND IN OUR PERIODIC REPORTS AND ACCOMPANYING DOCUMENTS FOUND ON OUR WEBSITE (AT WWW.KEWEENAW.COM/COMPANY-REPORTS/). THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS PROXY STATEMENT ARE MADE ONLY AS OF THE DATE OF THIS PROXY STATEMENT. WE DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR SUPPLEMENT ANY FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCES, EXCEPT AS REQUIRED BY LAW.

Stock Ownership of Certain Beneficial Owners and Management

The following table presents information regarding the beneficial ownership of our common stock, as of November 15, 2021, by each of our current directors, our executive officers and all of our directors and executive officers as a group.

Name of Beneficial Owner	Amount Beneficially Owned	Percent of Class Beneficially Owned ⁽⁴⁾
James A. Mai •	333,866 ⁽¹⁾	25.8%
Eric H. Speron •	36,600 ⁽²⁾	2.8%
Steven Winch •	2,512	*
Mark A. Sherman	865 ⁽³⁾	*
John D. Enlow, Sr. •	1,107	*
Peter C. Madden •	1,107	*
Timothy G. Lynott	350 ⁽⁴⁾	*
All Directors and Executive Officers as a group (7 persons)	376,407	29.0%

• Current Member of our Board of Directors

* Less than 1%

- (1) Includes shares owned by Cornwall Capital. Mr. Mai is the Chief Investment Officer of Cornwall Capital.
- (2) Includes shares owned by First Foundation Advisors. Mr. Speron is the Portfolio Manager of First Foundation.
- (3) Includes 717 shares of restricted stock, which will be fully vested upon closing of the Timber Asset Sale.
- (4) Includes 116 shares of restricted stock, which will be fully vested upon closing of the Timber Asset Sale.

The following table sets forth a list of shareholders known to the Company to own more than 5% of the Company's common stock:

Name of Beneficial Owner	Amount Beneficially Owned	Percent of Class Beneficially Owned⁽⁴⁾
1911 Trust•	245,794	19.0%

(5) The percentages shown in the tables above are based on the 1,296,173 shares of our common stock outstanding as of November 22, 2021.

Three of our largest shareholders, including Cornwall Capital and First Foundation, which are funds affiliated with members of our Board of Directors, and The 1911 Trust have executed voting support agreements in favor of the transaction and the Plan of Partial Liquidation. These shareholders currently represent approximately 48% of the current outstanding shares of Keweenaw.

The Companies

Keweenaw Land Association, Limited
1801 East Cloverland Drive, PO Box 188
Ironwood, MI 49938
Tel: (906) 932-3410

KLA owns and manages a total of 179,090 surface acres with 163,288 acres located in the Upper Peninsula of Michigan and 15,802 acres located in northern Wisconsin. The Company also owns and manages a total of 482,789 acres of both severed and attached mineral rights predominantly in the Upper Peninsula of Michigan and to a lesser degree in Arenac and Bay counties in Michigan's lower peninsula and Ashland and Douglas counties in Wisconsin. Keweenaw's ownership includes over 173,000 acres of productive timberland, nearly four miles of inland lake frontage, over four miles along Lake Superior, and approximately thirty miles of frontage along major rivers.

KLA traces its origins to the period immediately following the Civil War and the construction of the ship canal across the Keweenaw Peninsula of Upper Michigan by the Portage Lake & Lake Superior Ship-Canal Company.

KLA's common stock is quoted on the OTC Pink. The closing price as of November 19, 2021 was \$78.90 per share.

Purchasing entity ("Buyer")

The Buyer, who is not being disclosed in this public statement, due to previously executed confidentiality arrangement required as part of the sales process mentioned in detail below, is an entity managed by a U.S. based investment management firm (the "Investment Manager") with a long track record investing in global timberland, and other global investment strategies. The Investment Manager manages a portfolio of global timberland assets, and has extensive experience investing in timberland in the U.S. Lake States.

Background of the Transaction

Management and the Board of Directors of KLA began observing the timberland market for strategic opportunities to unlock shareholder value through a sale of timberland assets in early 2019. In mid to late 2019, KLA was contacted by LandVest about a potential timberland asset sale as a result of other activity in the region. This began a dialogue whereby KLA would receive periodic solicited and unsolicited market updates from LandVest and other investment banks with expertise in timberlands. In the summer of 2020, KLA sought official proposals from LandVest and other investment banks, but elected not to proceed with a marketed sale effort at that time due to observed uncertainties in the market and process disruptions caused by the Covid-19 Pandemic.

Management and the Board observed strength returning to the timberland markets in the first and second quarters of 2021. During the first half of 2021, KLA engaged in discussions with two public timber REITS regarding a potential transaction, but ultimately felt the proposals received left value on the table for shareholders. In the summer of 2021, KLA solicited proposals from LandVest and two other investment banks. Through discussions with these advisors, KLA determined that a privately marketed transaction was most likely to result in bid proposals of highest value to the KLA shareholders. Ultimately, KLA selected LandVest to run a confidentially marketed sale process and entered into a Letter of Engagement with LandVest on July 29, 2021. KLA selected LandVest because of its status as the largest broker of institutional and private timberland in North America. LandVest also demonstrated specialized expertise in timberland sale processes and provided the highest and most complete evaluation of KLA's potential value.

KLA and LandVest analyzed potential buyers from an extensive database maintained by LandVest based on capital availability, interest in the region, forest type, and reputation for responsible forest stewardship, among other factors; and invited eight groups to make formal bids. Each of these eight groups signed confidentiality

agreements. KLA and LandVest prepared a data room and a Confidential Information Memorandum (CIM), which were distributed to the potential bidders beginning on September 6, 2021. In addition to a CIM, the data room was fully populated with property documentation. KLA received five bids on October 28, 2021.

The Board of Directors of KLA met on Saturday, October 30, 2021, to review and compare the bids across several factors, including purchase price, comprehensiveness of the proposals, transaction structure, and timing and proposed procedure to close. The Board received advice from LandVest and from Dickinson Wright PLLC, the Company's legal counsel, regarding the various proposals, including comments received on a proposed transaction document and term sheet. Both LandVest and Dickinson Wright recommended the Buyer's proposal based on price and other transaction terms. The Board selected the Buyer's proposal on its evaluation of these factors, including the recommendations of LandVest and Dickinson Wright, and proceeded to negotiate an exclusivity period through November 19, 2021 that would allow the Buyer to conduct due diligence while the parties finalized negotiation of the Purchase and Sale Agreement and other transaction documents.

While negotiating the Purchase and Sale Agreement, KLA pursued the possibility of structuring the purchase as a stock sale in order to avoid corporate level tax on the sale. The Buyer declined for its own structural and tax reasons. Ultimately, the KLA Board determined the pricing proposed by the Buyer justified the asset sale structure and remained the strongest of the proposals received. The parties negotiated over other key terms, including the inspection period, confidentiality, the exclusivity period and a fiduciary out.

The KLA Board met in person on November 10, 2021, and together with Dickinson Wright, reviewed the Purchase and Sale Agreement and prepared an outline of transaction timing and the Plan of Partial Liquidation. On November 19, 2021, the Board met again to consider and approve the Purchase and Sale Agreement and the transactions contemplated in connection therewith, including but not limited to the Plan of Partial Liquidation.

On November 19, 2021, the Company and the Buyer executed the Purchase Agreement.

The Purchase and Sale Agreement

The following is intended to describe the material provisions of the Purchase and Sale Agreement and is qualified by the Purchase and Sale Agreement itself.

This summary of the Purchase and Sale Agreement has been included to provide you with information regarding the terms of the Purchase and Sale Agreement and is not intended to provide any factual information about KLA or the Buyer (defined, respectively, as "Seller" and "Buyer"). The representations, warranties, and covenants made in the Purchase and Sale Agreement by KLA and Buyer are qualified and subject to important limitations agreed to by KLA and Buyer in connection with negotiating the terms of the Purchase and Sale Agreement. The Purchase and Sale agreement limits public disclosure of key terms and conditions. Accordingly, any shareholders requesting further detail regarding the Agreement will be asked to agree to certain confidentiality provisions.

General; the Timberland Asset Sale

The Company is the owner of certain tracts or parcels of timber land in Michigan and Wisconsin, containing approximately 177,770 acres (the "Property"), and certain personal property utilized in connection with its ownership and operation of the Property (the "Personal Property" and together with the Property, the "Timberland Assets"). The definition of Property shall not be deemed to include any minerals or mineral rights within and underlying the tracts or parcels comprising the Property, with said mineral and mineral rights being expressly reserved by the Company. A detailed description of the Timberland Assets is included in the Purchase and Sale Agreement.

Timberland Asset Sale Purchase Price

The Company has agreed to sell the Timberland Assets to Buyer for a cash purchase price equal to

approximately \$140 per share, payable in immediately available funds at the date of closing (the “Purchase Price”). The Buyer has paid Earnest Money equal to 2.5% of purchase price into escrow, which will be applied as a credit to the Purchase Price at closing. The net proceeds of the Purchase Price, following the deduction of corporate taxes, other expenses related to the sale, cash retained for the ongoing business, and an indemnity holdback, will be distributed to the Company’s shareholders. We estimate this special distribution will equal approximately \$100 on a per share basis, payable in two installments as follows: an initial distribution of approximately \$92 per share payable on or before December 31, 2021, and a second distribution of approximately \$8 per share payable on or before December 31, 2022. The second distribution is subject to potential reduction for indemnity claims or other contingencies.

Retention of Subsurface Mineral Rights

The Purchase and Sale Agreement provides that the Company will retain all subsurface mineral rights on the total acres sold in the transaction. The parties have negotiated a Surface Use Agreement which provides the rights and obligations of both the Company and Buyer in the event the Company should require access to and use of the surface estate for the extraction of the minerals retained by the Company. Under the terms of the Surface Use Agreement, the Company shall have access to the surface estate provided that the Company submits a notice to Buyer of the location and nature of intended mineral extraction operations, repairs any damage to the surface estate, and either (a) allows sufficient time for Buyer to clear timber from the proposed surface operations area or (b) reimburses Buyer for the value of the timber removed.

Representations and Warranties

The Purchase and Sale Agreement contains a number of representations and warranties made by the Company and Buyer that relate to, among other things:

- Corporate existence, organization, qualification and corporate power;
- Adoption of the Purchase and Sale Agreement and approval of the Timberland Asset Sale and the other transactions contemplated by the Purchase and Sale Agreement by the relevant Board of Directors;
- Legal proceedings;
- Material contracts;
- All contracts and encumbrances on the Timberland Assets;
- No pending or threatened actions or proceeds (including without limitation, condemnation or eminent domain actions);
- Conduct of business in compliance with applicable laws;
- Any conflicts created by the transactions contemplated by the Purchase and Sale Agreement, including the Timberland Asset Sale;
- Owned and leased real and personal property;
- No environmental hazards;
- Access to public roadways;
- The Timberland Assets are not subject to the federal Endangered Species Act, as amended;
- Except for the express representations and warranties of the Company, the Property is being sold on an “as-is, where is” basis.

- No brokerage commission except for LandVest, Inc.

Many of the representations and warranties in the Purchase and Sale Agreement are qualified by a “knowledge”, “materiality” or “material adverse effect” standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, as the case may be, would be material or have a material adverse effect, respectively).

Conduct of Business Pending the Completion of the Transaction

The Company agrees to certain covenants in the Purchase and Sale Agreement governing the conduct of its business and operation of the Timberland Assets between the date of the Purchase and Sale Agreement and the effective time of the Timberland Asset Sale, including, but not limited to:

- KLA agrees that at the closing of the Timberland Asset Sale, the Timberland Assets will be in the same condition as exists on the date of the Purchase and Sale Agreement, subject to natural wear and tear, condemnation and casualties beyond Seller’s control, the ongoing harvests and certain permitted encumbrances. During the term of Purchase and Sale Agreement, KLA will limit its harvesting to certain pre-approved activities and KLA will provide a purchase price credit to in the aggregate amount of net proceeds received by KLA for timber harvested from the acquired property after the timber inventory date.
- KLA has agreed to promptly give Buyer notice of any loss or damage to any portion of the Timberland Assets by fire, flood, earthquake, or other natural disaster or casualty, or otherwise. If the aggregate fair market value of any casualty loss exceeds two percent (2%) but is less than five percent (5%) of the Purchase Price (the “Casualty Loss Basket”), the Purchase Price shall be reduced by the amount that such aggregate fair market value exceeds the Casualty Loss Basket.

Title Objections

Buyer has the right to review all title commitments provided by the Company and obtain updates of the same or obtain its own title commitments, at the sole cost and expense of Buyer. Any title objections are due by December 19, 2021. In the event the Company elects or is deemed to have elected not to cure any title objection, then Buyer, at its sole election, may either: (A) waive such title objections and proceed to the closing; or (B) exclude those properties from the sale and reduce the purchase price accordingly. The purchase price for the Timberland Assets would be reduced to the extent the value of title objection carveouts exceeds \$500,000.

Environmental Review

Buyer has the right to review all Phase I Environmental Site Assessments provided by the Company and obtain updates of the same or conduct additional Phase I Environmental Site Assessments, at the sole cost and expense of Buyer. Any objections to the Phase I Environmental Site Assessments are due by December 19, 2021. In the event the Company elects or is deemed to have elected not to cure any title objection, then Buyer, at its sole election, may either: (A) waive such objections and proceed to the Closing; or (B) exclude those properties from the sale and reduce the purchase price accordingly. Any environmental objection carveout must contain a minimum of 40 acres.

Closing and Conditions to Closing

The closing date for the Timberland Asset Sale is expected to be December 27, 2021, and will be no later than December 30, 2021, unless extended by mutual agreement of the Company and Buyer in writing. The following are the conditions to closing: (a) representations and warranties are accurate, (b) compliance with the terms of the Purchase and Sale Agreement, (c) Buyer satisfaction with the due diligence inspections, (d) satisfaction of all requirements in the title commitment and (e) all third party consents and approvals have been obtained. In that absence of fulfillment of the conditions to closing, Buyer may (x) waive the conditions and proceed to closing or (y) terminate the Purchase and Sale Agreement.

Exclusivity

The Company has agreed to an exclusivity period with Buyer until January 1, 2022 or the earlier termination of the Purchase and Sale Agreement. During the exclusivity period, the Company and any of its agents are prohibited from soliciting, negotiating, or approving any competing bids to acquire the Timberland Assets, subject to certain limited exceptions in the case of an unsolicited bona fide competing bid received by the Company at any time prior to December 1, 2021 that the Board reasonably determines could lead to a superior proposal or that failure to participate in negotiations or provide information would result in a breach of its fiduciary duties. In such instances, the Board shall provide prompt notice of the competing bid and its terms to Buyer and Buyer shall have five (5) days to match the competing bid. In the event that Buyer does not match said competing bid, the Company shall have the right to terminate the Purchase and Sale Agreement and Buyer will be entitled to receive a reimbursement from the Company for its out-of-pocket costs and expenses in connection with the Purchase and Sale Agreement of up to \$1,750,000.

Indemnification

The Company has agreed to indemnify Buyer for any breach of its representations and warranties in the Purchase and Sale Agreement subject to a minimum indemnity threshold of US\$250,000 and up to a limit of 10% of the Purchase Price; provided that the limit would be 25% of the Purchase Price, if the Company breaches its representation and warranty to provide a true and accurate summary of all contracts, permits and unrecorded encumbrances created by KLA and currently affecting the Property and that will affect the Property on and after the closing date of the Timberland Asset Sale. The Purchase and Sale Agreement provides that the Company will maintain a cash contingency reserve, or an Indemnity Surety, to satisfy any post-closing indemnification obligations pursuant to the Purchase and Sale Agreement, in the amount of ten million dollars (\$10,000,000), held in a separate segregated account, for approximately 12 months after the closing of the Purchase and Sale Agreement, during which time Buyer will have a first-priority security interest in the Indemnity Surety.

Buyer has agreed indemnify the Company against all liabilities and obligations arising out of Buyer's ownership of the Timberland Assets after to the closing, except as otherwise set forth in the Purchase and Sale Agreement, subject to a minimum indemnity threshold of US\$250,000 and up to a limit of 10% of the Purchase Price.

The Plan of Partial Liquidation

The following describes certain provisions of the Plan of Partial Liquidation, which is included as Annex A to this proxy statement and incorporated herein by reference. The summary of certain provisions of the Plan of Partial Liquidation below and elsewhere in this proxy statement is qualified in its entirety by reference to the plan itself. This summary does not purport to be complete and may not contain all of the information about the Plan of Partial Liquidation that is important to you. KLA encourages you to read the Plan of Partial Liquidation carefully in its entirety.

Since 1995, the Company has derived a substantial majority of its revenue from the sale of timber harvested from Company forestlands. Keweenaw has also generated other non-timber revenue from real estate sales, recreational leases, mineral rights leases, sale of sand and gravel, and providing wood scaling and inventory management services for various customers. For the years ended December 31, 2020, 2019 and 2018 respectively, income from timber sales, real estate and certain other non-timber related sources are set forth in the table below:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Timber Sales	\$ 17,285,907	\$ 15,743,168	\$ 14,211,739
Mineral Royalties	38,685	33,838	19,233
Lease Income	209,238	218,901	215,991
Investments	-	9,093	72,979
Securities Sales	-	1,494,133	-
Real Estate	2,092,634	1,315,600	1,510,000
Conservation Easement	859,415	3,941,000	-

Service Fees	<u>221,324</u>	<u>202,381</u>	<u>160,857</u>
Total	<u>\$20,707,203</u>	<u>22,958,114</u>	<u>16,190,799</u>

The sale of the Timberland Assets will result in gross proceeds to the Company of approximately \$140 per share, subject to adjustment as describe above under the heading “The Purchase and Sale Agreement.” The Company will retain ownership of 428,789 acres of subsurface mineral rights. After considering possible ways to use the proceeds of sale of the Timberland Assets, the Board of Directors determined that it would be in the best interests of the Company and its shareholders to distribute net proceeds of approximately \$100 per share in partial liquidation of the Company. The following table sets forth the Company’s anticipated use of proceeds:

	<u>Approximate</u> <u>\$/share</u>
Headline Timberland Asset Sale Price	\$140
(-) Estimated Closing Adjustments	<u>(2)</u>
Adjusted Timberland Asset Sale Price	\$139
(-) Real Estate Transfer, Federal and State Corporate Taxes	(31)
(-) Fees, Contingency Reserve, Paydown of Net Debt and Skeleton Operating Budget for Minerals	<u>(16)</u>
Initial Distribution	\$92
Secondary Distribution Around Late 2022: Contingency Reserve Less Any Unexpected Liabilities	\$8

The Company has set aside approximately \$500,000 total for executive and employee transaction-related bonuses.

The anticipated use of proceeds, and the ultimate amount available as a special per share distribution to shareholders may vary based upon changes in purchase price, estimated transaction expenses, or for the second installment of the distribution, indemnity claims.

Mineral Assets

Keweenaw will retain ownership of 428,789 acres of mineral rights in Upper Michigan. The majority of the mineral ownership dates back to our original post-civil war Federal land grant. Since 1891, when The Keweenaw Association, Limited was formed, the Company has received significant royalties from iron ore and copper mining activities on its properties. Between 1891 and 1995, when the White Pine copper mine ceased operations, the Company has estimated receiving cumulative royalties, adjusted for inflation, exceeding \$500 million.

Over the last decade, Upper Michigan has seen a renewed interest in mineral exploration and mining development. The Company currently leases mineral rights encompassing a combined total of 5,607 acres to Highland Copper Company Inc. (TSXV: HI) (“Highland”) pursuant to three mineral leases and one exploration option agreement. The leases and option agreement all relate to Highland’s Copperwood project in Gogebic County. These leases have been in place since 2008 and the lease amounts escalate each year resulting in higher annual rental payments. Total mineral lease income in 2020 to the Company was \$168,877 growing to \$216,025 in 2021. When the Copperwood project enters into production, the mineral leases will convert to a royalty-based arrangement pursuant to which the amount of copper produced from the mine annually will provide a passive income stream to the Company over the life of mine.

During the course of 2021, mineral commodity prices experienced a sustained increase across base and precious metals. In response, Keweenaw has continued a systematic review and compilation of its mineral resources, which included a limited amount of exploration and evaluation work. Based on positive initial results, Keweenaw is

conducting a preliminary review of business development opportunities. We are considering all options, from further development to divesture, in order to ensure that we secure the highest value to the Company and shareholders. Some alternative arrangements may include entering into additional mineral leases, royalty arrangements and/or joint venture partnerships. We have not yet determined how we will proceed and caution that, while we anticipate these opportunities may ultimately benefit Keweenaw and its shareholders, they are still at a preliminary stage. We can make no assurance at the present time that we will realize the full value, or any value, as a result of these mineral opportunities.

Nonetheless, operation of the mineral assets contributed only \$506,631 in revenues over each of the years ended December 31, 2020, 2019, and 2018 and has not been profitable. Following the closing, the Company plans to operate its mineral assets according to the following general principles:

- President and CEO of the Company, Mark Sherman has indicated his intention to retire. The Company will appoint Timothy G. Lynott, 44, as President to oversee the mineral operation. Mr. Lynott has served as the Company's Treasurer and Controller of Keweenaw since June 25, 2019. Prior to joining Keweenaw, Mr. Lynott worked at Highland Copper Company, a publicly-traded development-stage copper company, as Manager of Finance and Administration for a period of five years. Mr. Lynott previously held similar positions at Hudbay Minerals and White Pine Copper Refinery (a division of Hudbay) and Jacquart Fabric Products, Inc. Mr. Lynott received his bachelor's degree at Alma College in Michigan and is a Certified Management Accountant.
- The Company will continue to manage its lease relationship, with Highland Copper Company, which was recently expanded due to the acquisition of the of 29,071 acres of severed mineral properties from Sage Minerals Inc. for \$5,000,000 in cash in a 1031-exchange transaction in October 2021. The Sage transactions increased Keweenaw's mineral tenure to around 80% of Copperwood's overall estimated reserves. The newly acquired acreage is already under a lease and option agreement with Highland Copper Company that has been assumed by Keweenaw and will convert to a royalty once the Copperwood Project goes into production.
- The Company will continue its mineral strategy, as described under the heading "Mineral Assets" on page 14.
- The Company will decrease the overall size of its Board of Directors, while seeking to add one or more directors with particular mining expertise.
- The Company will take steps immediately upon closing to substantially reduce its overhead costs; most notably by professional service fees. Possible savings contemplated at this time include moving from a PCAOB audit standard to an AICPA standard and potentially moving from the OTC Pink Current Tier to the OTC Pink Limited Tier. Tim Lynott will become Keweenaw's President on January 1, 2022, replacing Mark Sherman who is retiring.

In light of the foregoing, and the substantial contraction in the Company's business that will occur as a result of a sale of the Timberland Assets, the Directors of the Company have voted to propose and recommend to the Company's shareholders that Plan of Partial Liquidation attached as Annex A be adopted.

The following is a summary of the Plan of Partial Liquidation:

- (a) As soon as practicable following the closing of the Timberland Asset Sale, the Company shall make adequate provision, by payment or otherwise for all of the Company's existing and reasonably foreseeable debts, liabilities, and obligations, whether or not liquidated, matured, asserted, or contingent.
- (b) As soon as practicable following the closing date, the Company will make a partial liquidating distribution of the Company's cash in the form of a pro rata special distribution to shareholders in accordance with the terms of this Plan and the MBCA. This action by and on behalf of the Company will not require further approval by the Directors or the shareholders.

(c) Subject to the foregoing, the Company has discretion in determining the manner and timing for the distributions to be completed. Distributions pursuant to the Plan or any other requirements of the MBCA may occur at a single time or be undertaken in a series of transactions over time. Unless otherwise provided herein, the distributions may be in cash or in assets or in some combination of such. The Company has absolute discretion to make such distributions in such amounts and at the time or times, it determines.

(d) The Company will continue to indemnify its Officers, Directors, and employees in accordance with the MBCA, its articles of incorporation, bylaws, any contractual arrangements, and its existing directors' and officers' liability insurance policy, for acts and omissions in connection with the implementation of this Plan.

(e) General Authorization. The Directors are authorized as of the effective date of the Plan, without further action by the shareholders, to do and perform or cause the officers of the Company (the "Officers"), subject to approval of the Directors, to do and perform any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind that are deemed necessary, appropriate or desirable, in the sole discretion of the Directors, to implement the winding up of the business according to the Plan and the transactions contemplated hereby.

Certain Federal Income Tax Consequences of the Transaction

The following summary is a general discussion of certain of the U.S. federal income tax consequences of the special distribution contemplated by the Plan of Partial Liquidation (the "Timberland Sale Distribution"). This discussion is included for general information purposes only, does not propose to consider all aspects of U.S. federal income taxation that might be relevant to a shareholder, and does not constitute, and is not a tax opinion or tax advice to any particular shareholder. This summary is based on the Code, Treasury Regulations, judicial decisions, and administrative pronouncements, each as currently in effect as of the date of this proxy statement. All of the foregoing are subject to change at any time, possibly with retroactive effect, and all are subject to differing interpretation. Any such change could affect the continuing validity of this discussion. No advance ruling has been sought or obtained from the IRS regarding the United States federal income tax consequences of the Timberland Sale Distribution. As a result, no assurance can be given that the IRS would not assert or that a court would not sustain a position contrary to any of the tax consequences set forth below.

Each shareholder is urged to consult and rely on such shareholder's own tax adviser with respect to the tax consequences of the Timberland Sale Distribution.

This summary does not address any tax consequences arising under United States federal tax laws other than United States federal income tax laws, nor does it address the laws of any state, local, foreign, or other taxing jurisdiction, nor does it address any aspect of income tax that may be applicable to non-U.S. Holders of Company shares. In addition, this summary does not address all aspects of United States federal income taxation that may apply to U.S. Holders of Company shares in light of their particular circumstances or U.S. Holders that are subject to special rules under the Code, such as, without limitation, Holders of Company shares that are:

- Partnerships or other pass-through entities (and persons holding their Company stock through a partnership or other pass-through entity);
- Persons who acquired Company shares as a result of the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- Controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- Certain former citizens or long-term residents of the United States;
- Persons subject to the alternative minimum tax or the tax on net investment income imposed by Section 1411 of the Code;

- Tax-exempt organizations, financial institutions, broker-dealers, traders in securities that have elected to apply a mark to market method of accounting, insurance companies, persons having a “functional currency” other than the U.S. dollar;
- Real estate investment trusts and, regulated investment companies; and
- Persons holding their Company shares as part of a straddle, hedging, constructive sale or conversion transaction, or other integrated or risk-reduction transaction.

ANY SUCH HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TREATMENT OF THE ARRANGEMENT TO THEM.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of Company shares that is for United States federal income tax purposes:

- a United States citizen or resident alien of the United States;
- a corporation or other entity treated as a corporation for United States federal income tax purposes, created or organized under the laws of the United States or any state therein or political subdivision thereof;
- a trust that (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a United States person; or
- an estate, the income of which is subject to United States federal income taxation regardless of its source.

If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds Company shares, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership. A Company shareholder which is a partnership should consult its tax advisor concerning the tax consequences of the Timberland Sale Distribution. Company shareholders that are not U.S. Holders may have different tax consequences than those described below, and are urged to consult their tax advisors about the tax treatment of the Timberland Sale Distribution to them under United States and non-U.S. law.

In general a shareholder’s receipt of the Timberland Sale Distribution will be a taxable transaction for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Such distribution will constitute a “redemption” within the meaning of Section 317 of the Code, which will result in the following federal income tax consequences.

Treatment of the Timberland Sale Distribution as a Redemption in Partial Liquidation

It is intended that the Timberland Sale Distribution will be treated as a redemption in partial liquidation of the Company within the meaning of Section 302(b)(4) of the Code. If the Timberland Sale Distribution qualifies as a redemption in partial liquidation, as more fully described below, the cash received pursuant to the Timberland Sale Distribution will be treated as a distribution from the Company in part or full payment in exchange for the shares surrendered. Such treatment will result in a shareholder's recognizing gain or loss equal to the difference between (a) the cash received by the shareholder and (b) the shareholder’s adjusted basis in the Company Shares deemed to be surrendered in the partial liquidation. The number of Company Shares deemed to be surrendered by each shareholder is that number of Company Shares the total fair market value of which equals the amount of the Timberland Sale Distribution to be distributed to the shareholder. Assuming the Company Shares are held as a capital asset, such recognized gain or loss will be capital gain or loss. If the Company Shares were held longer than one year, such capital gain or loss will be long-term.

No assurance can be given that the Timberland Sale Distribution will be treated as a redemption in partial

liquidation of the Company under Section 302(b)(4) of the Code will be satisfied as to any particular shareholder, and thus no assurance can be given that any particular shareholder will not be treated as having received a dividend for U.S. federal income tax purposes.

The receipt of cash by a non-corporate shareholder pursuant to the Timberland Sale Distribution may qualify as a redemption under a plan of "partial liquidation" under Section 302(b)(4) of the Code if the distribution is "not essentially equivalent to a dividend (determined at the corporate level rather than at the shareholder level)." Under the Code, all distributions under a plan of partial liquidation must be made by the end of the taxable year succeeding the taxable year of the corporation in which such plan of partial liquidation was adopted.

In general, a distribution will not be essentially equivalent to a dividend at the corporate level if (a) it falls within the complete termination safe harbor, discussed below, or (b) it is attributable to a genuine "contraction" in such corporation. The determination of what constitutes a genuine "contraction" of a corporation has primarily been derived from judicially developed law. In determining whether a genuine contraction has occurred, the IRS generally compares the size of the corporation's operations before and after the events that resulted in the distribution being made. A significant reduction in the corporation's level of business activities (*e.g.*, the number of employees, income, and assets) must be shown. For private letter ruling purposes, the IRS will not ordinarily issue a ruling that a distribution qualifies as a distribution in partial liquidation under the "corporate contraction" theory unless the contraction results in a 20-percent-or-greater reduction in (1) gross revenue, (2) net fair market value of assets, and (3) employees.

As a result of the Company's business strategy, and in accordance with the Plan of Partial Liquidation adopted by Company, the Company believes that there will be a substantial contraction of the Company's operations through the sale or other disposition of the Timberland Assets, and that it will, in fact, achieve a 20-percent-or-greater reduction in its gross revenue, net fair market value of assets, and employees. Therefore, to the extent amounts distributed pursuant to the Timberland Sale Distribution constitute proceeds realized from such contraction, such distribution to non-corporate shareholder-recipients will qualify under Section 302(b)(4) of the Code as a distribution in partial liquidation. It is anticipated that in excess of 95% of Purchase Price payable pursuant to the sale of the Timberland Assets will be attributable to a genuine contraction in the Company's business. These proceeds are attributable to the sale of the Timberland Assets. These proceeds are subject to adjustment for such items as taxes, reserves, and working capital. Certain of these proceeds will be included in the Purchase Price.

A "safe harbor" for partial liquidation treatment is provided by Section 302(e)(2) of the Code for distributions related to the termination of a business. Under Section 302(e)(2) of the Code, a distribution will be deemed to be "not essentially equivalent to a dividend" determined at the corporate level, and therefore, will qualify as a distribution in partial liquidation, if (a) the distribution is attributable to the distributing corporation's ceasing to conduct, or consists of the assets of, a "qualified trade or business" (*i.e.*, a business that was actively conducted throughout the five-year period ending on the date of the redemption) and, (b) immediately after the distribution, the distributing corporation is actively engaged in the conduct of a "qualified trade or business." The safe harbor is not satisfied, however, unless there is a complete distribution of the proceeds attributable to the discontinued trade or business. That is, all of the proceeds attributable to the terminated business must be distributed to the shareholders to meet this test. The Company does not expect to meet the safe harbor of Section 302(e)(2) of the Code.

Treatment of the Timberland Sale Distribution as a Dividend if Section 302(e) of the Code does Not Apply

If the Timberland Sale Distribution is not treated as a redemption in partial liquidation of the Company within the meaning of Section 302(b)(4) of the Code, a shareholder of Company Shares will be treated as having received a dividend taxable pursuant to Section 301 of the Code. Generally, the portion of a distribution made from earnings and profits ("E&P") of the Company is treated as a dividend. If Section 301 of the Code applies to the Timberland Sale Distribution, the Company anticipates that its available E&P will be sufficient for all of the amount treated as a distribution to be taxed as a dividend. The entire amount of a dividend is generally included in the gross income of a shareholder. Any dividend would likely be treated as a "qualified dividend" for purposes of Section 301 of the Code. In the event that the transaction is treated as a dividend distribution to a shareholder for federal income tax purposes, such shareholder's tax basis of the shares actually redeemed will be added to the tax basis of such shareholder's remaining actually owned or constructively owned shares in the Company.

Special Rules for Corporate Shareholders

Because the "partial liquidation" provision of Section 302(b)(4) of the Code is applicable only to non-corporate shareholders, if the exchange qualifies only as a "partial liquidation," then a corporate shareholder is deemed to receive a dividend.

Upon receipt of a dividend from the Company, a corporate shareholder who owns less than 20 percent of Company is eligible for a dividends received deduction equal to 50 percent of the amount of the distribution, subject to applicable limitations, including those related to "debt financed portfolio stock" under Section 246A of the Code and to the holding period requirements of Section 246 of the Code.

In addition, any amount received by a corporate shareholder that is treated as a dividend may constitute an "extraordinary dividend" subject to the provisions of Section 1059 of the Code. Generally, Section 1059 of the Code requires a corporate shareholder to reduce the tax basis of its stock in a corporation by the portion of the dividend eligible for the dividends received deduction and, if such portion exceeds the shareholder's tax basis for the stock, to treat any such excess as gain from the sale of the stock in the year in which a sale or disposition of such stock occurs. The term "extraordinary dividend" includes any dividend if the amount thereof exceeds the greater of 10 percent of the tax basis of the shareholder's shares or 10 percent of the fair market value of such shares. For this purpose, other dividends received that have ex-dividend dates within the same period of eighty-five consecutive days of a dividend are aggregated. Furthermore, if a taxpayer receives an aggregate amount of dividends in excess of 20 percent of the adjusted basis of the taxpayer's stock, such dividends having ex-dividend dates within a period of 365 consecutive days, then the dividends also constitute "extraordinary dividends" and the taxpayer must reduce its basis under Section 1059 of the Code.

Section 1059 of the Code applies only to stock that has not been held for more than two years before the dividend announcement date, unless the redemption of stock is part of a partial liquidation or is not pro rata to all shareholders. The Company believes that part of the tender offer proceeds will constitute a distribution in partial liquidation and that the Offer will likely not result in a pro rata distribution to all shareholders. Additionally, if the corporate shareholder is required under Section 1059 of the Code to reduce its stock basis, the nontaxed portion of all dividend distributions within an 85-day or 365-day period referred to above, including regular quarterly dividend distributions, reduce the corporate shareholder's basis in the Company stock. Corporate shareholders should consult their tax advisers concerning the application of Section 1059 of the Code to their particular situation.

Information Reporting and Backup Withholding

U.S. Holders may be subject to information reporting to the IRS and backup withholding with respect to dividends treated as paid on and any cash proceeds from the sale or other disposition of the Company shares in connection with the Timberland Sale Distribution. Information reporting will apply to amounts treated as payments of dividends on, and to cash proceeds from the sale or other disposition of, the Company shares by a paying agent within the United States to a U.S. Holder, other than a U.S. Holders that are exempt from information reporting and properly certify their exemption. A paying agent within the United States will be required to withhold at the applicable statutory rate, currently 24%, in respect of any amounts treated as payments of dividends on, and the cash proceeds from the disposition of, Company shares within the United States to a holder (other than holders that are exempt from backup withholding and properly certify their exemption) if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements. U.S. Holders that are required to establish their exempt status generally must provide a properly completed IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's U.S. federal income tax liability. A holder generally may obtain a refund of any amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information. Each holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

Non-U.S. Holders

Non-U.S. Holders generally may not be subject to withholding tax if the non-U.S. Holder (i) furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E, together with appropriate attachments, certifying under

penalties of perjury, its status as a non-U.S. Person, (ii) furnishes an appropriate certificate of non-recognition to avoid withholding tax under Section 1446(f) of the Code, and (iii) has furnished to the payor other documentation upon which it may rely upon in accordance with applicable Treasury Regulations. The appropriate form of IRS Form W-8 which you should use will depend on your particular circumstances. Additional information may be found on the IRS website (www.irs.gov).

In addition, failure by a non-U.S. Holder to provide a properly completed applicable IRS Form W-8BEN or IRS Form W-8BEN-E may result in withholding under Section 1441 or Section 1442 of the Code and the Foreign Account Tax Compliance Act (“FATCA”). A 30% withholding tax will apply to the gross amount that is paid to a non-U.S. Holder, unless an applicable income tax treaty reduces or eliminates such tax, and the non-U.S. Holder claims the benefit of that treaty by providing a properly completed and duly executed IRS Form W-8BEN or W-8BEN-E, as applicable (or suitable successor or substitute form), establishing qualification for benefits under the treaty, and a certificate of non-recognition, if applicable.

The preceding discussion is intended only as a summary of certain United States federal income tax consequences of the Timberland Sale Distribution. It is not a complete analysis or discussion of all potential tax effects that may be important to you. The Company has not requested and do not intend to request any ruling from the IRS. **YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES RESULTING FROM THE TIMBERLAND SALE DISTRIBUTION, INCLUDING TAX RETURN REPORTING REQUIREMENTS, THE APPLICABILITY AND EFFECT OF ALL FEDERAL, STATE, LOCAL AND OTHER APPLICABLE TAX LAWS WHETHER OR NOT DESCRIBED ABOVE AND THE EFFECT OF ANY PROPOSED CHANGES IN THE TAX LAWS.**

Risk Factors

There are a number of factors that we believe our shareholders should consider when deciding whether to vote to approve the Timberland Asset Sale Proposal and the Plan of Partial Liquidation Proposal.

Risks Related to the Purchase and Sale Agreement

The announcement and pendency of the Timberland Asset Sale, whether or not consummated, may adversely affect our business.

The announcement and pendency of the Timberland Asset Sale, whether or not consummated, may adversely affect the trading price of our common stock, our business and/or our relationships with customers, partners, suppliers and employees. In addition, pending the completion of the Timberland Asset Sale, our management’s focus and attention and employee resources may be diverted from operational matters during the pendency of the Timberland Asset Sale.

In the event that the Timberland Asset Sale is not completed, the announcement of the termination of the Purchase and Sale Agreement may also adversely affect the trading price of our common stock, our business or our relationships with customers, partners, suppliers and employees.

We cannot be sure if or when the Timberland Asset Sale will be completed.

The consummation of the Timberland Asset Sale is subject to the satisfaction or waiver of various conditions, including the approval of the Timberland Asset Sale by our shareholders. We cannot guarantee that the closing conditions set forth in the Purchase and Sale Agreement will be satisfied. If we are unable to satisfy the closing conditions in Buyer’s favor or if other mutual closing conditions are not satisfied, Buyer will not be obligated to complete the Timberland Asset Sale.

If the Timberland Asset Sale is not completed, our Board of Directors, in discharging its fiduciary obligations to our shareholders, will evaluate other strategic alternatives that may be available, which alternatives may not be as favorable to our shareholders as the Timberland Asset Sale.

The Purchase and Sale Agreement limits our ability to sell the Timberland Assets to a party other than Buyer.

The Purchase and Sale Agreement contains provisions that make it more difficult for us to sell the Timberland Assets to a party other than the Buyer, including a non-solicitation provision and a provision requiring us to notify Buyer of any solicitation or offer made by any third party in connection with the sale of the Timberland Assets or any similar transaction. These provisions could discourage a third party that might have an interest in acquiring all of or a significant part of our Timberland Assets from considering or proposing such an acquisition, even if that party were prepared to pay consideration with a higher value than the consideration to be paid by Buyer. In the event we receive and accept a superior offer for the Timberland Assets from a party other than the Buyer, we will owe the Buyer a fee of \$1,750,000.

The Buyer is not assuming any of the excluded liabilities under the Purchase and Sale Agreement.

Under the Purchase and Sale Agreement, Buyer is not assuming all of the liabilities associated with the Timberland Assets. Certain liabilities will remain with Keweenaw post-closing. For example, Keweenaw is indemnifying the Buyer against any liabilities arising out of the Timberland Assets that arose during Keweenaw's ownership of the Timberland Assets prior to the closing. Keweenaw's indemnification obligations contained in the Purchase and Sale Agreement are subject to an indemnity cap that limits any such indemnification to a maximum amount of 10% of the Purchase Price and an indemnity threshold whereby the aggregate claims for indemnification must exceed \$250,000 before Buyer will be entitled to recover any costs or expenses. While the Company believes that it has adequately accrued for these liabilities or is adequately insured against certain of the risks associated with such excluded liabilities, there can be no assurances that additional expenditures will not be incurred in resolving these liabilities.

The Purchase and Sale Agreement may expose us to contingent liabilities.

We have agreed to indemnify the Buyer for certain breaches of representations, warranties or covenants made by us in the Purchase and Sale Agreement. Significant indemnification claims by the Buyer could materially and adversely affect our business, financial condition and results of operations.

Risks Related to KLA Following the Sale of its Timberland Assets

We have discretion in the use of the net proceeds from the Timberland Asset Sale and may not use them effectively.

If the Timberland Asset Sale is consummated, the cash purchase price for the Timberland Asset Sale will be paid directly to the Company. The Company is reserving approximately \$3 million from the net proceeds of the Timberland Asset Sale to fund the ongoing mineral business. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business and cause the price of our common stock to decline. The Company's Board of Directors will also continue to evaluate other activities aimed at enhancing shareholder value, including the possibility of corporate restructuring, share buybacks, dividends, merger, acquisitions and/or other targeted investments.

We may be required to make a cash payment to shareholders who exercise dissenters' rights in connection with the Timberland Asset Sale, which would reduce the amount of proceeds that we have to use in the business or make distributions to other shareholders.

Dissenters' rights under the MBCA may be applicable in connection with the Timberland Asset Sale. Under the MBCA, if the Timberland Asset Sale is approved by the affirmative vote of the holders of a majority of the outstanding shares of our common stock, shareholders that did not vote in favor of the transaction and otherwise properly asserted their dissenters' rights with respect to their shares may be entitled to receive a cash payment in an amount equal to the fair value of their shares (as determined in accordance with the provisions of the MBCA). Any cash payments to shareholders in connection with the assertion of dissenters' rights would reduce the amount of proceeds available for use in the business or to make distributions to other shareholders following the completion of the Timberland Asset Sale.

Our mineral exploration activities may not result in a significant economic benefit to us.

Keweenaw owns 428,789 acres of mineral rights in Upper Michigan. During the course of 2020, mineral commodity prices experienced a sustained increase across base and precious metals. In response, we have continued a systematic review and compilation of our mineral resources, which included a limited amount of exploration and evaluation work. Based on positive initial results, we are conducting a preliminary review of business development opportunities. We are considering all options, from further development to divestiture, in order to ensure that we secure the highest value to the Company and shareholders. We have also considered alternative arrangements, including entering into additional mineral leases, royalty arrangements and/or joint venture partnerships. We have not yet determined how we will proceed and caution that, while we anticipate these opportunities may ultimately benefit Keweenaw and its shareholders, they are still at a preliminary stage. We can make no assurance at the present time that we will realize the full value, or any value, as a result of these mineral opportunities.

Risks Related to Our Common Stock

Our common stock is not registered with the Securities and Exchange Commission (“SEC”) and is not listed on, or subject to the regulations of, any stock exchange. Consequently, the Company has not been required to file periodic reports or provide updated information to the market.

Our common stock is traded on the Over-The-Counter (OTC) bulletin board, commonly called the “Pink Sheets”. It is not registered with the SEC, and the shares are not listed on any stock exchange or other regulated trading platform. Consequently, the Company has not been required to make periodic filings of financial and other information, or to publicize material developments in its business. The Company anticipates continuing to prepare and distribute regular financial reports, but there can be no assurance that the information provided would be sufficient to satisfy disclosure requirements of any regulatory authorities, or that the Company may determine in the future that expenses of reporting outweigh benefits to the Company and its shareholders.

We have witnessed relatively low historic trading volumes of our common stock and have limited market capitalization, and, as a result, the trading prices of our common stock may be more volatile than would an investment in a more liquid security.

Our common stock is thinly trading, and we have a small public float. Many brokers are restricted from trading in our stock due to lack of sufficient public information, restrictions on pink sheet securities or other factors. These factors can make trading our stock more volatile than trading in a more heavily traded security, or a security in a larger, more well-established company. This prospective volatility increases the risk of investing in our common stock and can drive down the price of our common stock and reduce opportunities for investors to buy or sell our common stock.

Securities of companies with smaller market capitalizations tend to be more volatile and less liquid than larger company stocks.

Following the Timberland Asset Sale and the adoption of the Plan of Liquidation, we are going to be a company with much smaller market capitalization. The securities of small capitalization companies may be subject to more abrupt or erratic market movements than securities of larger companies or market averages in general. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions.

The preceding risk factors could affect our business, financial condition, or results of operations. These risk factors should be read together with the forward-looking statements contained in this proxy statement, our 2020 Annual Report, and our interim quarterly reports published on our website because they could cause the actual results and conditions to differ materially from those projected in forward-looking statements. Before you invest in our common stock, you should know that owning our common stock involves risks, including the risks described above. The risk factors that are highlighted here are not the only ones Keweenaw faces. If the adverse matters referred to in any of the risk factors actually occur, our business, financial condition, or operations could be adversely affected. In that

case, the price of our common stock could decline, and you may lose all or part of your investment.

Proposal One – Approval of Timberland Asset Sale and Purchase and Sale Agreement

We are asking our shareholders to approve the Timberland Asset Sale and the Purchase and Sale Agreement. The KLA Board of Directors has determined that the Timberland Asset Sale is in the best interests of KLA and its shareholders and that the consideration to be received in the Timberland Asset Sale is fair to KLA shareholders. Accordingly, the KLA Board of Directors has adopted the Purchase and Sale Agreement and approved the transactions and other documents contemplated thereby.

Our Board of Directors unanimously recommends that KLA shareholders vote “FOR” approval of the Timberland Asset Sale and the Purchase and Sale Agreement.

Proposal Two – Approval of the Plan of Partial Liquidation

We are asking our shareholders to approve the Plan of Partial Liquidation. The KLA Board of Directors has determined that the Plan of Partial Liquidation is advisable and in the best interest of KLA and its shareholders. Accordingly, the KLA Board of Directors has adopted the Plan of Partial Liquidation including all exhibits and schedules attached thereto.

Our Board of Directors unanimously recommends that KLA shareholders vote “FOR” approval of the Plan of Partial Liquidation

Proposal Three – Approval to Adjourn or Postpone the Special Meeting

We are asking our shareholders to approve the adjournment or postponement of the Special Meeting to a later date, if necessary or appropriate, to allow for the solicitation of additional proxies in favor of the proposal to approve the Timberland Asset Sale and Plan of Partial Liquidation, if there are insufficient votes to approve these proposals. This proposal is referred to herein as the “Proposal to Adjourn or Postpone the Special Meeting.”

Our Board of Directors unanimously recommends that KLA shareholders vote “FOR” approval of the Proposal to Adjourn or Postpone the Special Meeting.

Other Matters

Our Board of Directors does not know of any other matters to be brought before the Special Meeting. If other matters are presented upon which a vote may properly be taken, it is the intention of the persons named in the proxy to vote the proxies in accordance with their best judgment.

Availability of Annual Report and Quarterly Reports

Keweenaw Land Association, Limited is pleased to offer the benefits and convenience of electronic delivery of its annual reports, quarterly reports and proxy materials on-line at: <https://keweenaw.com/company-reports/>.

In accordance with the Michigan Business Corporation Act, we plan to deliver future annual reports to our shareholders electronically, unless you specifically request hard copies of the annual report to be mailed to you. If you would like to request hard copies of the annual report, please contact Paula J. Aijala, Secretary of Keweenaw Land Association, Limited by email at investors@keweenaw.com, or by writing to her at Keweenaw Land Association, Limited, 1801 East Cloverland Drive, PO Box 188, Ironwood, MI 49938.

Where you can find more information

If you would like to request additional information from KLA, please send a request in writing or by telephone to KLA at the following address or phone number:

Attention: Paula J. Aijala
Keweenaw Land Association, Limited
1801 East Cloverland Drive, PO Box 188
Ironwood, MI 49938
(906) 932-3410

To receive timely delivery of such information in advance of the Special Meeting, please make your request by December 13, 2021.

You should rely only on the information contained in this proxy statement. We have not authorized anyone to provide you with information that is different from what is contained in this proxy statement. The information contained in this proxy statement speaks only as of the date of this proxy statement unless the information specifically indicates that another date applies. You should not assume that the information contained in this proxy statement is accurate as of any date other than the date of this proxy statement, and the delivery of this proxy statement to you shall create any implication to the contrary.

Annex A – The Plan of Partial Liquidation

See Enclosure.

**PLAN OF PARTIAL LIQUIDATION
OF
KEWEENAW LAND ASSOCIATION, LIMITED**

THIS PLAN OF PARTIAL LIQUIDATION (the “**Plan**”), dated as of November [], 2021 (the “**Plan Date**”), is intended to accomplish the partial liquidation of KEWEENAW LAND ASSOCIATION, LIMITED, a Michigan corporation (the “**Corporation**”), in accordance with the Michigan Business Corporation Act, 1972 PA 284, MCL § 450.1101 et seq., as amended (the “**Act**”).

1. Approval and Adoption of Plan.

(a) The directors of the Corporation (the “**Directors**”) took action by unanimous written consent following a meeting of the board of directors held on November 19, 2021 and voted to propose and recommend to the shareholders of the Corporation (the “**Shareholders**”) that the Corporation be partially liquidated by distributing to the Shareholders the net proceeds of the Corporation’s sale (the “**Timberland Asset Sale**”) of substantially all of the Corporation’s timberland assets excluding mineral rights (the “**Timberland Assets**”), pursuant that certain Purchase and Sale Agreement, dated as of November 19, 2021 (the “**Purchase and Sale Agreement**”). The Directors further adopted the following Plan for the partial liquidation of the Corporation, including liquidating its Timberland Assets and distributing the net proceeds on the Plan Date, upon the Shareholders’ authorization of such partial liquidation.

(b) The Shareholders of the Corporation are set to take action by a special meeting of the shareholders to be held on December 20, 2021 at which time the Shareholders will consider and vote on approving partial liquidation of the Corporation and adopting the Plan as recommended by the Directors.

2. General Authorization. The Directors are authorized as of the Plan Date, without further action by the Shareholders, to do and perform or cause the officers of the Corporation (the “**Officers**”), subject to approval of the Directors, to do and perform any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind that are deemed necessary, appropriate or desirable, in the sole discretion of the Directors, to implement the partial liquidation of the Corporation according to the Plan and the transactions contemplated hereby.

3. Indemnification. The Corporation shall continue to indemnify its Officers, Directors, and employees in accordance with the Act, its articles of incorporation, bylaws, any contractual arrangements, and its existing directors’ and officers’ liability insurance policy, for acts and omissions in connection with the implementation of this Plan and the partial liquidation and contraction of the affairs of the Corporation.

4. Contraction of Business Activities. The Corporation shall operate a substantially contracted mineral and property business following the closing of the Purchase and Sale Agreement and the Timberland Asset Sale.

5. Filing of Tax Forms. The Corporation shall file its returns and satisfy its tax obligations in connection with its partial liquidation and this Plan.

6. Plan of Distribution.

(a) As soon as practicable following the closing date of the Timberland Asset Sale (the “**Closing Date**”) pursuant to the Purchase and Sale Agreement, the Corporation shall make adequate provision, by payment or otherwise for all of the Corporation’s existing and reasonably foreseeable debts, liabilities, and obligations, whether or not liquidated, matured, asserted, or contingent.

(b) As soon as practicable following the Closing Date, the Corporation will make a partial liquidating distribution of the Corporation’s cash in the form of a *pro rata* special dividend to shareholders in accordance with the terms of this Plan and the Act. This action by and on behalf of the Corporation will not require further approval by the Directors or the Shareholders. Distributions to the Shareholders will be made only as permitted and in the manner required by the Act.

(c) Subject to the foregoing, the Corporation has discretion in determining the manner and timing for the distributions to be completed. Distributions pursuant to the Plan or any other requirements of the Act may occur at a single time or be undertaken in a series of transactions over time. Unless otherwise provided herein, the distributions may be in cash or in assets or in some combination of such. The Corporation has absolute discretion to make such distributions in such amounts and at the time or times, it determines.

[Signature page follows]

IN WITNESS WHEREOF, the Corporation has approved dissolution and adopted this Plan as of the Plan Date.

**KEWEENAW LAND ASSOCIATION,
LIMITED**

Mark A. Sherman, President and CEO

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Annex B – Proxy Voting Card

See Enclosure.

Annex C – Dissenters Rights Rules

450.1761 Definitions.

Sec. 761. As used in sections 762 to 774:

(a) "Beneficial shareholder" means the person who is a beneficial owner of shares held by a nominee as the record shareholder.

(b) "Corporation" means the issuer of the shares held by a dissenter before the corporate action, or the surviving corporation by merger of that issuer.

(c) "Dissenter" means a shareholder who is entitled to dissent from corporate action under section 762 and who exercises that right when and in the manner required by sections 764 through 772.

(d) "Fair value", with respect to a dissenter's shares, means the value of the shares immediately before the effectuation of the corporate action to which the dissenter objects, excluding any appreciation or depreciation in anticipation of the corporate action unless exclusion would be inequitable.

(e) "Interest" means interest from the effective date of the corporate action until the date of payment, at the average rate currently paid by the corporation on its principal bank loans or, if none, at a rate that is fair and equitable under all the circumstances.

(f) "Record shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(g) "Shareholder" means the record or beneficial shareholder.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1988, Act 58, Eff. Apr. 1, 1988;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am.

1993, Act 91, Eff. Oct. 1, 1993.

450.1762 Right of shareholder to dissent and obtain payment for shares.

Sec. 762.

(1) A shareholder is entitled to dissent from, and obtain payment of the fair value of his, her, or its shares in the event of, any of the following corporate actions:

(a) Consummation of a plan of merger to which the corporation is a party if any of the following are met:

(i) Shareholder approval is required for the merger under section 703a or 736(5) or the articles of incorporation and the shareholder is entitled to vote on the merger.

(ii) Shareholder approval would be required if section 703a(3) did not apply and the shareholder is a shareholder on the date of the offer under section 703a(3).

(iii) The corporation is a subsidiary that is merged with its parent under section 711.

(b) Consummation of a plan of share exchange to which the corporation is a party as the corporation whose shares will be acquired, if either of the following are met:

(i) The shareholder is entitled to vote on the plan.

(ii) The shareholder would be entitled to vote on the plan if section 703a(3) did not apply and the shareholder is a shareholder on the date of the offer under section 703a(3).

(c) Consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution but not including a sale pursuant to court order.

(d) Consummation of a plan of conversion to which the corporation is a party as the corporation that is being converted, if the shareholder is entitled to vote on the plan. However, any rights provided under this section are not available if that corporation is converted into a foreign corporation and the shareholder receives shares that have terms as favorable to the shareholder in all material respects, and represent at least the same percentage interest of the total voting rights of the outstanding shares of the corporation, as the shares held by the shareholder before the conversion.

(e) An amendment of the articles of incorporation that creates a right to dissent under section 621.

(f) A transaction that creates a right to dissent under section 754.

(g) Any corporate action taken pursuant to a shareholder vote to the extent the articles of incorporation, bylaws, or a resolution of the board provides that voting or nonvoting shareholders are entitled to dissent and obtain payment for their shares.

(2) Unless otherwise provided in the articles of incorporation, bylaws, or a resolution of the board, a shareholder may not dissent from any of the following:

(a) Any corporate action set forth in subsection (1)(a) to (f) as to shares that are listed on a national securities exchange on the record date fixed to vote on the corporate action or on the date the resolution of the parent corporation's board is adopted in the case of a merger under section 711 that does not require a shareholder vote under section 713. For purposes of this subdivision, "national securities exchange" includes the NASDAQ Global Select Market and the NASDAQ Global Market, but does not include the NASDAQ Capital Market, formerly known as the NASDAQ SmallCap Market.

(b) A transaction described in subsection (1)(a) in which shareholders receive cash, shares that satisfy the requirements of subdivision (a) on the effective date of the merger, or any combination of cash and those shares.

(c) A transaction described in subsection (1)(b) in which shareholders receive cash, shares that satisfy the requirements of subdivision (a) on the effective date of the share exchange, or any combination of cash and those shares.

(d) A transaction described in subsection (1)(c) that is conducted pursuant to a plan of dissolution that provides for distribution of substantially all of the corporation's net assets to shareholders in accordance with their respective interests within 1 year after the date of closing of the transaction, if the transaction is for cash, shares that satisfy the requirements of subdivision (a) on the date of closing, or any combination of cash and those shares.

(e) A transaction described in subsection (1)(d) in which shareholders receive cash, shares that satisfy the requirements of subdivision (a) on the effective date of the conversion, or any combination of cash and those shares.

(3) A shareholder that is entitled to dissent and obtain payment for shares under subsection (1)(a) to (f) may not challenge the corporate action that creates that entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

(4) A shareholder that exercises a right to dissent and seek payment for shares under subsection (1)(g) may not challenge the corporate action that creates that entitlement unless the action is unlawful or fraudulent with respect to the shareholder or the corporation.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1988, Act 58, Eff. Apr. 1, 1988;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am.

1997, Act 118, Imd. Eff. Oct. 24, 1997;—Am. 2008, Act 402, Imd. Eff. Jan. 6, 2009;—Am. 2012, Act 569, Imd. Eff. Jan. 2, 2013;—Am.

2018, Act 85, Eff. June 24, 2018.

450.1763 Rights of partial dissenter; assertion of dissenters' rights by beneficial shareholder.

Sec. 763.

(1) A record shareholder may assert dissenters' rights as to fewer than all the shares registered in his or her name only if he or she dissents with respect to all shares beneficially owned by any 1 person and notifies the corporation in writing of the name and address of each person on whose behalf he or she asserts dissenters' rights. The rights of a partial dissenter under this subsection are determined as if the shares as to which he or she dissents and his or her other shares were registered in the names of different shareholders.

(2) A beneficial shareholder may assert dissenters' rights as to shares held on his or her behalf only if all of the following apply:

(a) He or she submits to the corporation the record shareholder's written consent to the dissent not later than the time the beneficial shareholder asserts dissenters' rights.

(b) He or she does so with respect to all shares of which he or she is the beneficial shareholder or over which he or she has power to direct the vote.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1764 Corporate action creating dissenters' rights; vote of shareholders; notice.

Sec. 764.

(1) If a proposed corporate action that creates dissenters' rights under section 762 is submitted to a vote at a shareholders' meeting, the meeting notice must state that shareholders are or may be entitled to assert dissenters' rights under this act and be accompanied by a copy of sections 761 to 774.

(2) Except as provided in subsection (3), if a corporate action that creates dissenters' rights under section 762 is taken without a vote of shareholders, the corporation shall notify in writing all shareholders that are entitled to assert dissenters' rights that the action was taken and send them the dissenters' notice described in section 766. A shareholder that consents to the corporate action is not entitled to assert dissenters' rights.

(3) If a corporate action creates dissenters' rights under section 762(1)(a)(ii) or (b)(ii), an offer made under section 703a(3) must state that shareholders are or may be entitled to assert dissenters' rights under this act and be accompanied by a copy of sections 761 to 774 and the dissenters' notice described in section 766.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993;—Am.

2018, Act 85, Eff. June 24, 2018.

450.1765 Notice of intent to demand payment for shares.

Sec. 765.

(1) If a proposed corporate action that creates dissenters' rights under section 762 is submitted to a vote at a shareholders' meeting, a shareholder that wishes to assert dissenters' rights must deliver to the corporation before the vote is taken written notice of his, her, or its intent to demand payment for his, her, or its shares if the proposed action is effectuated and must not vote his, her, or its shares in favor of the proposed action.

(2) If a corporate action creates dissenters' rights under section 762(1)(a)(ii) or (b)(ii), a shareholder that wishes to assert dissenters' rights must deliver to the corporation before the shares are purchased pursuant to the offer written notice of his, her, or its intent to demand payment for his, her, or its shares if the proposed action is taken and must not tender, or cause or permit to be tendered, any shares in response to the offer.

(3) A shareholder that does not satisfy the requirements of subsection (1) or (2), as applicable, is not entitled to payment for his, her, or its shares under this act.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 2018, Act 85, Eff. June 24, 2018.

450.1766 Dissenters' notice; delivery to shareholders; contents.

Sec. 766.

(1) If proposed corporate action creating dissenters' rights under section 762 is authorized at a shareholders' meeting, the corporation shall deliver a written dissenters' notice to all shareholders who satisfied the requirements of section 765.

(2) The dissenters' notice must be sent no later than 10 days after the corporate action was taken, and must provide all of the following:

(a) State where the payment demand must be sent and where and when certificates for shares represented by certificates must be deposited.

(b) Inform holders of shares without certificates to what extent transfer of the shares will be restricted after the payment demand is received.

(c) Supply a form for the payment demand that includes the date of the first announcement to news media or to shareholders of the terms of the proposed corporate action and requires that the person asserting dissenters' rights certify whether he or she acquired beneficial ownership of the shares before the date.

(d) Set a date by which the corporation must receive the payment demand, which date may not be fewer than 30 nor more than 60 days after the date the subsection (1) notice is delivered.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1767 Duties of shareholder sent dissenter's notice; retention of rights; failure to demand payment or deposit share certificates.

Sec. 767.

(1) A shareholder sent a dissenter's notice described in section 766 must demand payment, certify whether he or she acquired beneficial ownership of the shares before the date required to be set forth in the dissenters' notice pursuant to section 766(2)(c), and deposit his or her certificates in accordance with the terms of the notice.

(2) The shareholder who demands payment and deposits his or her share certificates under subsection (1) retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action.

(3) A shareholder who does not demand payment or deposit his or her share certificates where required, each by the date set in the dissenters' notice, is not entitled to payment for his or her shares under this act.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1985, Act 76, Imd. Eff. July 5, 1985;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1768 Restriction on transfer of shares without certificates; retention of rights.

Sec. 768.

(1) The corporation may restrict the transfer of shares without certificates from the date the demand for their payment is received until the proposed corporate action is taken or the restrictions released under section 770.

(2) The person for whom dissenters' rights are asserted as to shares without certificates retains all other rights of a shareholder until these rights are canceled or modified by the taking of the proposed corporate action.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1985, Act 76, Imd. Eff. July 5, 1985;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1768a Repealed. 1989, Act 121, Eff. Oct. 1, 1989.

Compiler's note: The repealed section pertained to referees.

450.1769 Payment by corporation to dissenter; accompanying documents.

Sec. 769.

(1) Except as provided in section 771, within 7 days after the proposed corporate action is taken or a payment demand is received, whichever occurs later, the corporation shall pay each dissenter who complied with section 767 the amount the corporation estimates to be the fair value of his or her shares, plus accrued interest.

(2) The payment must be accompanied by all of the following:

(a) The corporation's balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, an income statement for that year, a statement of changes in shareholders' equity for that year, and if available the latest interim financial statements.

(b) A statement of the corporation's estimate of the fair value of the shares.

(c) An explanation of how the interest was calculated.

(d) A statement of the dissenter's right to demand payment under section 772.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989;—Am. 1993, Act 91, Eff. Oct. 1, 1993.

450.1770 Return of deposited certificates and release of transfer restrictions; effect of corporation taking proposed action.

Sec. 770.

(1) If the corporation does not take the proposed action within 60 days after the date set for demanding payment and depositing share certificates, the corporation shall return the deposited certificates and release the transfer restrictions imposed on shares without certificates.

(2) If after returning deposited certificates and releasing transfer restrictions, the corporation takes the proposed action, it must send a new dissenters' notice under section 766 and repeat the payment demand procedure.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1771 Election to withhold payment from dissenter; offer to pay estimated fair value of shares, plus accrued interest; statements; explanation.

Sec. 771.

(1) A corporation may elect to withhold payment required by section 769 from a dissenter unless he or she was the beneficial owner of the shares before the date set forth in the dissenters' notice pursuant to section 766(2)(c).

(2) To the extent the corporation elects to withhold payment under subsection (1), after taking the proposed corporate action, it shall estimate the fair value of the shares, plus accrued interest, and shall offer to pay this amount to each dissenter who shall agree to accept it in full satisfaction of his or her demand. The corporation shall send with its offer a statement of its estimate of the fair value of the shares, an explanation of how the interest was calculated, and a statement of the dissenter's right to demand payment under section 772.

History: 1972, Act 284, Eff. Jan. 1, 1973;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

450.1772 Demand for payment of dissenter's estimate or rejection of corporation's offer and demand for payment of fair value and interest due; waiver.

Sec. 772.

(1) A dissenter may notify the corporation in writing of his or her own estimate of the fair value of his or her shares and amount of interest due, and demand payment of his or her estimate, less any payment under section 769, or reject the corporation's offer under section 771 and demand payment of the fair value of his or her shares and interest due, if any 1 of the following applies:

(a) The dissenter believes that the amount paid under section 769 or offered under section 771 is less than the fair value of his or her shares or that the interest due is incorrectly calculated.

(b) The corporation fails to make payment under section 769 within 60 days after the date set for demanding payment.

(c) The corporation, having failed to take the proposed action, does not return the deposited certificates or release the transfer restrictions imposed on shares without certificates within 60 days after the date set for demanding payment.

(2) A dissenter waives his or her right to demand payment under this section unless he or she notifies the corporation of his or her demand in writing under subsection (1) within 30 days after the corporation made or offered payment for his or her shares.

History: Add. 1989, Act 121, Eff. Oct. 1, 1989.

450.1773 Petitioning court to determine fair value of shares and accrued interest; failure of corporation to commence proceeding; venue; parties; service; jurisdiction; appraisers; discovery rights; judgment.

Sec. 773.

(1) If a demand for payment under section 772 remains unsettled, the corporation shall commence a proceeding within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest. If the corporation does not commence the proceeding within the 60-day period, it shall pay each dissenter whose demand remains unsettled the amount demanded.

(2) The corporation shall commence the proceeding in the circuit court of the county in which the corporation's principal place of business or registered office is located. If the corporation is a foreign corporation without a registered office or principal place of business in this state, it shall commence the proceeding in the county in this state where the principal place of business or registered office of the domestic corporation whose shares are to be valued was located.

(3) The corporation shall make all dissenters, whether or not residents of this state, whose demands remain unsettled parties to the proceeding as in an action against their shares and all parties shall be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law.

(4) The jurisdiction of the court in which the proceeding is commenced under subsection (2) is plenary and exclusive. The court may appoint 1 or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the powers described in the order appointing them, or in any amendment to it. The dissenters are entitled to the same discovery rights as parties in other civil proceedings.

(5) Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds the fair value of his or her shares, plus interest, exceeds the amount paid by the corporation or for the fair value, plus accrued interest, of his or her after-acquired shares for which the corporation elected to withhold payment under section 771.

History: Add. 1989, Act 121, Eff. Oct. 1, 1989.

450.1773a Referee; appointment; powers; compensation; duties; objections to report; application to court for action; adoption, modification, or recommitment of report; further evidence; judgment; review.

Sec. 773a.

(1) In a proceeding brought pursuant to section 773, the court may, pursuant to the agreement of the parties, appoint a referee selected by the parties and subject to the approval of the court. The referee may conduct proceedings within the state, or outside the state by stipulation of the parties with the referee's consent, and pursuant to the Michigan court rules. The referee shall have powers that include, but are not limited to, the following:

- (a) To hear all pretrial motions and submit proposed orders to the court. In ruling on the pretrial motion and proposed orders, the court shall consider only those documents, pleadings, and arguments that were presented to the referee.
- (b) To require the production of evidence, including the production of all books, papers, documents, and writings applicable to the proceeding, and to permit entry upon designated land or other property in the possession or control of the corporation.
- (c) To rule upon the admissibility of evidence pursuant to the Michigan rules of evidence.
- (d) To place witnesses under oath and to examine witnesses.
- (e) To provide for the taking of testimony by deposition.
- (f) To regulate the course of the proceeding.
- (g) To issue subpoenas, when a written request is made by any of the parties, requiring the attendance and testimony of any witness and the production of evidence including books, records, correspondence, and documents in the possession of the witness or under his or her control, at a hearing before the referee or at a deposition convened pursuant to subdivision (e). In case of a refusal to comply with a subpoena, the party on whose behalf the subpoena was issued may file a petition in the court for an order requiring compliance.

(2) The amount and manner of payment of the referee's compensation shall be determined by agreement between the referee and the parties, subject to the court's allocation of compensation between the parties at the end of the proceeding pursuant to equitable principles, notwithstanding section 774.

(3) The referee shall do all of the following:

- (a) Make a record and reporter's transcript of the proceeding.
- (b) Prepare a report, including proposed findings of fact and conclusions of law, and a recommended judgment.
- (c) File the report with the court, together with all original exhibits and the reporter's transcript of the proceeding.

(4) Unless the court provides for a longer period, not more than 45 days after being served with notice of the filing of the report described in subsection (3), any party may serve written objections to the report upon the other party. Application to the court for action upon the report and objections to the report shall be made by motion upon notice. The court, after hearing, may adopt the report, may receive further evidence, may modify the report, or may recommit the report to the referee with instructions. Upon adoption of the report, judgment shall be entered in the same manner as if the action had been tried by the court and shall be subject to review in the same manner as any other judgment of the court.

History: Add. 1989, Act 121, Eff. Oct. 1, 1989.

450.1774 Costs of appraisal proceeding.

Sec. 774.

(1) The court in an appraisal proceeding commenced under section 773 shall determine all costs of the proceeding, including the reasonable compensation and expenses of appraisers appointed by the court. The court shall assess the costs against the corporation, except that the court may assess costs against all or some of the dissenters, in amounts the court finds equitable, to the extent the court finds the dissenters acted arbitrarily, vexatiously, or not in good faith in demanding payment under section 772.

(2) The court may also assess the fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable in the following manner:

(a) Against the corporation and in favor of any or all dissenters if the court finds the corporation did not substantially comply with the requirements of sections 764 through 772.

(b) Against either the corporation or a dissenter, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously, or not in good faith with respect to the rights provided by this act.

(3) If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against the corporation, the court may award to those counsel reasonable fees paid out of the amounts awarded the dissenters who were benefited.

History: Add. 1989, Act 121, Eff. Oct. 1, 1989.