

Keweenaw Provides Copperwood and Mineral Project Updates; Announces Austerity Measures

IRONWOOD, Mich., October 27, 2022 -- Keweenaw Land Association, Limited (OTC US: KEWL) (“Keweenaw”) today is releasing an update regarding the Copperwood Project and Keweenaw’s mineral project efforts outside Copperwood. In light of a challenging outlook for these projects, Keweenaw is announcing austerity measures. The release can be found on the Company’s website (<https://keweenaw.com/>) under “Company Reports” and on the OTC Markets’ website.

Copperwood Update

The Copperwood Project is operated by Highland Copper Company. Late last year Highland announced its intent to update the 2018 feasibility study for release during the first half of 2022, and that its expectation was construction at Copperwood would commence shortly thereafter. While management affirmed this guidance as recently as late May, Highland has yet to produce an updated feasibility study. In our view, the following factors weigh against near-term development of the project:

- Highland’s management team has not demonstrated it understands the requirements to secure financing for Copperwood as a stand-alone project. The company appears to have over-estimated the strength of its 2018 feasibility study and was slow to react even after the pandemic-era surge in commodity prices and M&A activity failed to spark interest in the project.
- Since announcing the revised Copperwood feasibility study, copper prices are down around 30% and capital markets much less accommodative for a few reasons- particularly rising production prices and higher financing costs. It seems likely a revised study will indicate substantially higher break-even levels for copper relative to the 2018 study.
- Highland appears to be shifting its focus toward a consolidated project that would encompass White Pine. While we see the merits of a district-level play given substantially greater scale and the ability to leverage existing infrastructure assets, the timeframe for monetization at Copperwood will be pushed back significantly. Whereas Copperwood is “shovel ready” under the current plan, revisions to the project’s scope will necessitate a new feasibility study and additional permits.

While we are disappointed Highland did not take the steps to put Copperwood in a stronger position sooner, we would note that the company has made significant progress addressing other structural issues which we find encouraging. Late last year the company engaged in a series of transactions with large shareholders which finalized the acquisition of White Pine, streamlined its capital structure and created a stronger balance sheet. Perhaps most importantly, there has been substantial turnover at the board including new leadership. We hope to see continued evidence that Highland is committed to moving in a new direction that will allow the company to achieve its full potential.

Keweenaw Mineral Project

As Keweenaw has previously disclosed, the Company has conducted early-stage exploration and evaluation activities on a specific mineral project area. The project area includes a large contiguous land package, a data compilation of historic drilling and mine information, geophysical surveys that were conducted in the summer of 2020, and the lab tested results of a number of new drill holes that were drilled in 2020 and 2021. The work completed to date provides a ready-made project for a willing partner in an easily accessible, mining friendly jurisdiction with all the necessary infrastructure. Keweenaw has been actively marketing this package to potential partners. However, a partnership has not yet emerged. Management observes and anticipates the following headwinds in bringing this project to fruition:

- Mineral commodity prices have cooled from their highs earlier in the year across base metals and precious metals alike.
- Near-term market uncertainty is causing a pullback from investing in greenfield projects preferring to focus on producing assets.
- A stronger dollar and inflationary factors have also reduced the amount of investment in new mineral projects.

To further enhance the value of the project, Keweenaw has leased 3,330 acres of State of Michigan minerals located adjacent to its project generation asset in Dickinson County, Michigan- essentially filling in and complementing Keweenaw’s checkerboard ownership in the area and providing a larger, contiguous land package for this project. State leases can be held for up to 20 years and renewed upon expiration. Keweenaw also has under lease 4,315 acres of State of Michigan minerals in Gogebic County, Michigan. These leases increase the number of mineral acres that Keweenaw directly owns or controls to 436,434 acres. Keweenaw will look for further opportunities to consolidate mineral tenure over prospective areas across our mineral ownership, which may include both State of Michigan and private minerals. The lease cost for these two land packages is \$3 per acre or \$22,935 annually.

Austerity Measures

In an effort to combat the marginal strains accompanying further delays, the Company is implementing several austerity measures including the planned closure of its corporate headquarters located in Ironwood, Michigan by the end of October 2022 and a move to a remote work environment. The Company has streamlined its business overhead cost structure over the first three quarters of 2022 and these savings combined with the office closure will save approximately \$215,000 over the next twelve months.

President Tim Lynott commented “This has been a challenging year and we do not take these austerity decisions lightly. Keweenaw owns a portfolio of perpetual assets that investors should view over a horizon of years and not months and want to ensure that the Company and our shareholders will be rewarded for their patience.”

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About Keweenaw Land Association, Limited: Keweenaw, headquartered in Ironwood, Michigan, previously operated as a forest products and land management company owning substantial subsurface mineral rights. Following the sale of its timberland assets, Keweenaw's business focus is on its mineral assets. Additional information is available on the Company's website at www.keweenaw.com. The Company is currently not subject to the filing requirements of the Securities Exchange Act of 1934, as amended. The Company is categorized as "Pink Limited Information" under the OTC Pink Sheets.

FORWARD-LOOKING STATEMENTS: This press release contains forward-looking statements that have been made pursuant to provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent the Company's expectations or beliefs concerning future events, including any statements regarding: the anticipated closing date or distribution date or the Company's future mineral operations. 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 the Company's 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 press release are made only as of the date of this press release. 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.