KEWEENAW LAND ASSOCIATION, LIMITED
(A MICHIGAN CORPORATION)

ANNUAL REPORT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

P.O. Box 188
Ironwood, MI 49938
(Address of principal executive offices)

Issuer's telephone number: (906) 932-3410

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Title of each class	Trading Symbol	OTC Listing	CUSIP
Common Stock, no par value	KEWL	OTC Pink Limited Information	493026108

Number of shares authorized: 10,000,000 common shares, 1,000,000 preferred shares
Number of shares outstanding as of March 22, 2022: 1,180,983 common shares; 0 preferred shares

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TIMBER
LAND
MINERALS

KEWEENAW
LAND ASSOCIATION, LIMITED

& IRONWOOD MINES CORPORATION
a subsidiary of Keweenaw Land Association, Limited

To the Stockholders of Keweenaw Land Association, Limited

Since the successful sale of the Company's timberland assets at the end of 2021, the Company has focused on several organizational initiatives to position itself for the long-term. We are pleased to report substantial progress has been made toward an operational structure that minimizes friction costs associated with ownership of your long-dated mineral assets; and a capital structure that provides sufficient flexibility and resilience to sustain the Company through the extended periods of uncertainty inherent to any commodity cycle.

Despite the ongoing cash burn, Keweenaw is very well capitalized with around $10 million in net cash. The most significant contributor to the Company's fortress-like balance sheet came from shareholders who chose to forego participation in the Dutch tender offer completed in December. The tender offer was designed as an alternative to a pro rata distribution of the remaining timber sale proceeds which were released from escrow in December. Shareholders who elected not to participate effectively provided liquidity to those seeking to sell some or all of their shares. When all was said and done, around 75% of the $9.2 million released from the indemnity holdback dropped to the left side of the balance sheet (unrestricted cash) rather than treasury stock from shares tendered.

While it would have been nice to reduce the Company's share count by more than 9%, we appreciate the strong show of support from shareholders. I hope we will find compelling opportunities sometime relatively soon to deploy some of this new capital provided to the Company. It should also be noted that we executed the tender before the new 1% buyback excise tax went into effect in 2023, which saved or avoided another $23,000 after the final numbers were reported.

From an administrative perspective, the Company made tough decisions to cut expenses further than previously forecast. The Company pared its spending in several areas including insurance, information technology, headcount, office space and related overhead expense. The result is we expect to reduce operating income cash burn to below $200,000 annually. While we expect to report a pre-tax profit for the foreseeable future given the Company's substantial cash balance, we ignore capital structure-driven (including interest) and non-recurring items in our pursuit of sustainable positive operating cash flows.

Over the last 18 months there have been dramatic swings in commodity prices and development plans by leaseholders managing the Company's highest-visibility mineral rights. These and other events beyond the Company's control serve as a good reminder of why a conservative approach in forecasting cash flows is so important. While your guess is as good as ours regarding the prospect for near-term development, we remain focused on variables we can control, which include improving the quality and positioning of our mineral portfolio. Since our last annual report we have secured a 120 acre tract of surface and minerals in Gogebic County along with the historic data related to the past exploration on the acquired parcel. We also remain active in our state mineral leasing efforts as well as discussions to engage in mineral swaps which have the potential to add significant value to our mineral portfolio.

Turning to the even longer game, we see secular trends that are directionally positive for mineral rights holders in Michigan's Upper Peninsula. Michigan has publicly announced plans to be a leader in the development and production of both Electric Vehicles (EV) and the batteries required to operate these vehicles. Many of those minerals are found right here in Upper Michigan within Keweenaw's mineral footprint, and we plan to be a significant part of any discussion in how these minerals are explored and extracted in the future.

In contrast, during 2022 there was anecdotal evidence that mineral work both regionally and nationally is getting more difficult. For example, one company in nearby Minnesota lost their federal mineral lease to a 20 year moratorium, and another mining company in Alaska has been preemptively banned from developing a project by regulators.

Although our exploration and evaluation efforts have not borne fruit to date, Keweenaw will continue to operate in Michigan, which is open to mineral exploration and mineral production, and we will leverage our years of experience and institutional knowledge of the region. We will also look to diversify both in mineral or business type and partner company, as we continue to look for additive, cost-efficient opportunities to increase value across our mineral ownership and for our shareholders.

We look forward to continued engagement with our shareholder base, and this year, our annual meeting will return to the first week in May as has been the traditional date for the years prior to 2022, and as always, we will continually provide updates on our development as conditions warrant.

Best Regards,

James A. Mai, Chairman

PS- Any of you who know Paula knows what a great job she does, please feel free to chip in with any ideas you may have at this mailbox she manages: investors@keweenaw.com. What we are looking for are ideas you may have on ways we can advance our assets, people we should know, royalties for sale, companies we should partner with or just general advice on customers, suppliers or great outfits to partner with.

KEWEENAW LAND ASSOCIATION, LIMITED

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report of Keweenaw Land Association, Limited and its subsidiaries ("Keweenaw Land Association," "Keweenaw," "KLA," "the Company," "we," "our" or "us") may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, Keweenaw Land Association, or the executive officers of Keweenaw Land Association on its behalf, may from time to time make forward-looking statements in reports and other documents or in connection with written or oral statements made to the press, potential investors, or others. Keweenaw intends for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Securities Act and the Exchange Act.

Forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue" or other similar words. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. Forward-looking statements are not guarantees of performance and are based on certain assumptions. Forward-looking statements discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Forward-looking statements in this report include without limitation statements regarding the development of the Copperwood Project or our other mineral assets. Expected future net income (loss) depends on many factors including, among others, expected uses of cash generated from operations; expected sources and adequacy of capital resources and liquidity; copper, gold, and other commodity prices; development of the Copperwood Project; and discovery and development of other mineral assets. Any deviation from these assumptions may lead to fluctuations in future net income (loss).

Any such forward-looking statements are based on a number of assumptions involving judgments and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from our historical experience and our present expectations. See Section 1A *Risk Factors* in this Annual Report. With respect to our ongoing business, these risks and uncertainties include, but are not limited to, the risks discussed in Section 1A herein. Accordingly, readers are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this report. Keweenaw makes no representations or warranties (express or implied) about the accuracy of any such forward-looking statements contained in this report, and Keweenaw does not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Section 1. BUSINESS

Company History

Keweenaw traces its origins to 1865, when Congress granted approximately 400,000 acres of public land to finance the construction of a shipping canal across the base of the Keweenaw Peninsula in Northern Michigan. The same year, Michigan's legislature authorized the Portage Lake & Lake Superior Ship-Canal Company (the "Portage Lake Company") to build the canal. Keweenaw's direct lineage traces to 1891, when a successor entity to the Portage Lake Company sold the completed canal to the United States government and contributed its other assets (primarily 400,000 acres of land and mineral rights) to the Keweenaw Association, Limited. That Company was reorganized in 1908, and Keweenaw Land Association, Limited came into existence as a Michigan partnership association. Keweenaw was reorganized again in 1999 as a Michigan corporation.

Until the early 1950s, Keweenaw was managed with the primary objective of monetizing its assets through liquidating timber, exploiting mineral assets and selling property. During this period, the Company reduced its surface rights from approximately 400,000 acres to 120,000 acres, through a combination of land sales and intentional land forfeitures to extinguish tax liabilities. After clear-cutting most of its harvestable timber acreage during World War II, the Company decided in 1951 to modify its land management strategy. The Company chose to cease land dispositions and allow for the forest to fully regenerate. At the time, the Company expected that the forest would reach maturity by 2010. The Company operated in this mode for the next 40 years, with its primary sources of income being mineral royalties and stumpage income from selective harvests as the timber assets matured.

In the early 1990s, the Company began investing in resources to allow for active management of its forestry operations. From that time until December 27, 2021, the Company has cut, produced and sold timber as its primary source of business income. On December 27, 2021, the Company closed on the sale of all remaining timberland assets which consisted of approximately 178,479 acres of land as well as the Company's remaining capital assets. The Company retained ownership of its mineral interests.

Mineral Assets

Keweenaw owns approximately 428,909 acres of mineral rights located predominantly in Michigan's Upper Peninsula. 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 estimates receiving cumulative royalties, adjusted for inflation, exceeding $500 million.

With the culmination of the timberland transaction at the end of 2021, Keweenaw has undergone a transformational change of which it is still in its early phases. Management believes the Company's vast mineral portfolio offers significant opportunities to create and realize value for shareholders. Essentially, the Company is returning to its roots as a royalty company while undertaking some project generation and acquisition opportunities that meet the Company's stringent capital allocation process.

In September 2021, Keweenaw closed on the acquisition of approximately 29,071 acres of severed mineral properties from Sage Minerals Inc. (the "Sage Acquisition"). The primary driver for the purchase was to increase Keweenaw's ownership of the mineral reserves underlying Highland's Copperwood Project. The transaction included approximately 2,500 acres of mineral rights adjacent to our pre-existing interests and increased Keweenaw's mineral tenure to approximately 80% of Copperwood's overall estimated reserves. The Sage acreage is already under a lease and option agreement with Highland Copper Company that has been assumed by Keweenaw and is expected to convert to a royalty agreement once the Copperwood Project goes into production. The Sage Acquisition also contained approximately 26,571 acres of mineral properties located in historic copper producing districts in Michigan and Northern Wisconsin, which includes prospective and underexplored properties in Gogebic, Ontonagon and Baraga counties. Approximately 18,426 acres of the acquired mineral properties in Gogebic County are largely contiguous to mineral properties already owned by Keweenaw. The remaining acres are located in Arenac and Bay counties in Michigan's Lower Peninsula and Ashland and Douglas counties in Wisconsin, which are areas where Keweenaw had not previously owned any minerals.

Over the last decade, Michigan's Upper Peninsula has seen a renewed interest in mineral exploration and mining development. The Company currently leases mineral rights encompassing a combined total of approximately 5,607 acres to Highland Copper Company Inc. (TSXV: HI) ("Highland") pursuant to three mineral and exploration leases. The leases relate to Highland's Copperwood project in Gogebic County (the "Copperwood Project"). These leases have been in place since 2008, and the lease amounts escalate each year resulting in higher annual rental payments. Two of the leases expire in 2028 and one expires in 2037. Total mineral lease income in 2022 to the Company was $251,125. 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 2022, mineral commodity prices experienced downward movement across base and precious metals. As a result, Keweenaw curtailed any significant project generation activity as had been conducted in 2020 and 2021, however the Company continues to review business development opportunities across our mineral ownership. We remain open to all options, including further development or divestiture, in order to ensure that we secure the highest value to the Company and its shareholders. We caution that, while we anticipate opportunities may ultimately benefit Keweenaw and its shareholders, they are still preliminary in nature and we can make no assurance at the present time that we will realize the full value, or any value, as a result of these opportunities.

During the two years prior to 2022, the Company 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.

To further enhance the value of this project, Keweenaw has leased approximately 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 approximately 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 approximately 436,554 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.

Employees

As of December 31, 2022, Keweenaw had two full-time, non-union employees.

SIC Codes

The Company's primary SIC code is 1021 and secondary SIC code is 0811.

Section 1A. RISK FACTORS

The following risk factors could affect our business, financial condition or results of operations. These risk factors should be considered in connection with evaluating the forward-looking statements contained in this Annual Report because they could cause the actual results and conditions to differ materially from those projected in any forward-looking statements. Before you invest in our common stock, you should know that owning our common stock involves risks, including the risks described below. The risk factors that are highlighted below are not the only ones we face. If any of the adverse matters referred to in any of the risk factors actually occur, our business, financial condition or operations could be materially adversely affected. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Industry and Our Business

Adverse changes in economic conditions may negatively affect our earnings, capital, and liquidity.

The financial performance and results of operations for natural resource companies, including ours, may be materially and adversely affected by changes in regional and national economic conditions as well as general conditions in the global economy, the global financial markets and global political conditions. The United States and global economies are facing growing inflation, higher interest rates and potential recession. Furthermore, a severe or prolonged economic downturn, including a recession or depression resulting from the ongoing COVID-19 pandemic (or other outbreaks, epidemics, pandemics or public health crises) or political disruption, such as the war between Ukraine and Russia or political conflict between China and Taiwan, could result in a variety of unforeseeable risks to our business. We may also be affected by fluctuation in the financial markets, such as rapid increases or decreases in interest rates as well as changes in the monetary and fiscal policies of the federal government. Most of these factors are outside of our control. While we believe that we have positioned Keweenaw to mitigate these types of events in the most efficient way possible, we cannot make any assurances that economic conditions, market forces and political conditions will not adversely impact our financial performance and result of operations.

Inflation can have an adverse impact on our business.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, there has been a pronounced rise in inflation. As a result, the Federal Reserve Board has continued to significantly increase the target federal funds rate and has indicated its intention to continue to increase interest rates in an effort to combat inflation. As inflation increases, the value of our cash and cash equivalents decreases in real terms. In addition, inflation increases the cost of inputs we use in our business operations, which could decrease our profitability.

Our ability to generate cash revenues is limited and dependent to a substantial extent on the Copperwood Project.

While we are trying to develop new customer relationships, the majority of sales from continuing operations are generated from revenue related to the Copperwood Project. Should this customer experience financial difficulties, including, but not limited to, bankruptcy or insolvency, it may no longer be able to provide us with sustainable operating cash flow, and we may not efficiently, if ever, find reliable replacement customers for this customer. All of this can materially and adversely affect our business. As we announced in October 2022, there are a number of factors weighing against near-term development of the Copperwood Project and as a result, the Copperwood Project could face significant delays and ultimately prove to be unprofitable or fail to yield the expected cash revenues.

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

Keweenaw owns approximately 428,909 acres of mineral rights predominantly in Michigan. During the course of 2022, mineral commodity prices experienced downward movement across base and precious metals. As a result, Keweenaw curtailed any significant project generation activity as had been conducted in 2020 and 2021, however the Company continues to review business development opportunities across our mineral ownership. We remain open to all options, including further development or divestiture, in order to ensure that we secure the highest value for the Company and shareholders. We caution that, while we anticipate opportunities may ultimately benefit Keweenaw and its shareholders, they are still preliminary in nature and we can make no assurance at the present time that we will realize the full value, or any value, as a result of these opportunities. It is also possible that mineral commodity prices could decrease in the future, which could render all of these efforts unprofitable.

Mineral exploration or development activities done by others on our minerals properties may not result in a significant economic benefit to us.

Mineral exploration and evaluation is an inherently high-risk business. Few mineral properties that are explored will ultimately be developed. Economic, environmental, social, geographic, political, execution and commodity risk all factor into decisions for advancing exploration properties. Even advanced stage development properties can face challenges regarding permits, mineral reserves, ore grades and project financing. Most of the mineral opportunities that Keweenaw has identified are at a very early stage which may ultimately benefit Keweenaw and its shareholders, but we can make no assurance at the present time that we will realize the full value, or any value, as a result of these opportunities.

Mineral commodities are exposed to global competition.

If opportunities exist in other geographical jurisdictions where the inputs of production (e.g., labor, materials, taxes, regulatory compliance) are more available at more favorable economic terms, this can be detrimental to development on Keweenaw minerals. With cheaper production inputs, our competitors would be able to bring their minerals to market at a lower cost yielding greater profits, or charge a lower price that could cause demand for our minerals to fall resulting in a negative impact on the results of our operations.

We have had a long history of mining activity with some of our properties, and such activity can lead to hazards on our properties which can subsequently lead to liabilities for our business.

Mining activity can cause subsidence, which is the gradual caving in or sinking of an area of land. Since mining activity has occurred under some of our properties, over long periods of time, this might cause subsidence in the future, which can lead to accidents and other liabilities that can materially and adversely impact our business. We monitor any sites facing such risks of which we are aware and such sites are analyzed annually to minimize loss due to subsidence. However, there can be no assurance that subsidence will never occur or that accidents, damage to property or harm to persons will not result in the event subsidence does occur.

Our operations are geographically concentrated, and we may face greater impacts from localized events than would more geographically diverse mineral companies.

Located primarily in the western Upper Peninsula of Michigan, events and complexities affecting specific locales in northern Michigan may impact us more significantly (and potentially negatively) than they would affect a comparable company with more diverse geographical operations. Because the vast majority of our mineral rights are limited to northern Michigan, regional impacts such as growth patterns, weather patterns and natural disasters, as well as socio-political events such as environmental and land use initiatives, may disproportionately affect our geographically limited operations more significantly than a company whose operations are less concentrated and more geographically diverse.

We face a concentration of credit risk due to FDIC insurance limits.

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents. At times throughout the year, the Company may, in the ordinary course of business, maintain cash balances in excess of Federal Deposit Insurance Corporation ("FDIC") insurance coverage. As a result, the Company faces a concentration of credit risk related to amounts on deposits in excess of FDIC insurance coverage. The Company had $522,078 in cash and cash equivalents and cash held in escrow as of March 30, 2023, in excess of FDIC-insured limits, some or all of which could be at risk of loss in the event of bank insolvency.

The value of securities in our investment securities portfolio may be negatively affected by disruptions in securities markets.

At the current time, the Company invests its cash reserves primarily in short term treasury bills (T-bills). A T-Bill is a short-term debt security issued by the U.S. government. These debt obligations are issued by the U.S. Treasury Department and mature within one year or less. Investment in T-Bills may not be as profitable as other available investments. While investment in T-bills requires a low minimum initial investment and is typically viewed as carrying low risk, the nation's securities markets can be affected suddenly by economic crises, or by other national or international crises, such as national disasters, acts of war or terrorism, inflation, changes in currency, bond and commodities markets, or instability in national and foreign governments. The Company may also from time to time invest cash reserves in other types of securities. Disruptions in securities markets may detrimentally affect the value of T-Bills or other securities that we hold in our investment portfolio, such as through reduced valuations due to the perception of heightened credit and liquidity risks. There can be no assurance that declines in market value associated with these disruptions will not result in other-than-temporary impairments of these assets, which would lead to accounting charges that could have a material adverse effect on our net income and capital reserves.

Any damage to our reputation is likely to hurt our business operations.

Over our extended period of operations, we have strived to build a strong reputation for our Company. Any damage to our reputation can hurt our ability to operate or grow our business, and this in turn can materially and adversely impact the results of our operations.

Risks Related to Regulatory and Legal Matters

There are statutory and regulatory restrictions, as well as social factors (e.g., the media), that may negatively impact or limit our ability to generate income and cash flow.

Certain activities related to mineral exploration and mining are subject to laws, regulations and court orders that can limit or prevent us from pursuing such activities. Environmental protection initiatives and groups may impose obstacles to our business, including by lobbying for changes to existing laws and regulations that can affect our business negatively and by campaigning in the media against companies with operations like ours.

Certain activists, including environmentalists, may pursue campaigns against companies in our industry and are likely to do so in the future, and such campaigns may have an adverse impact on the value of our assets or on our ability to generate revenues from our minerals.

Environmentalist and other activist groups, political organizations, Native American tribes and other parties in the legislative, administrative and judicial spheres may seek the imposition of more stringent regulations on our business, including with regard to any properties we have that may be in need of environmental remediation. The efforts of activist groups opposed to businesses like ours are not unlikely to abate in the foreseeable future, and in some instances their campaigns may have a material impact upon the revenues we can generate from our properties or upon the costs of generating those revenues.

Severe weather events, including the effects of climate change, are inherently unpredictable and may have a material adverse effect on our financial results and financial condition. In addition, climate change legislation, regulatory initiatives and litigation could result in increased operating costs or, in some instances, adversely impact demand for our products.

Increased public awareness and concern about climate change will likely continue to generate more international, regional and/or national requirements to reduce greenhouse gas emissions; increase energy efficiency and reduce carbon pollution; and cause a shift to cleaner and more sustainable sources of energy which may be more expensive than using fossil fuels as an energy source. While our operations are focused on being eco-friendly, nonetheless, these requirements may render some of our existing technology non-compliant or obsolete. While we continue to be committed to developing eco-friendly sustainable solutions for our operations, there can be no assurance that our development efforts will be successful, that our efforts will be accepted by the market or environmental activists, that proposed regulations or deregulation will not have an adverse effect on our competitive position or that economic returns will reflect our investments in new product development. The inconsistent international, regional and/or national requirements associated with climate change regulations also create economic and regulatory uncertainty. There is also budgetary and regulatory uncertainty associated with increased energy costs and government incentives, which, if discontinued, could increase the costs of compliance with current or future environmental standards.

The potential impact of climate change on our resources, operations and consumer demand also remains uncertain. Scientists have proposed that the impacts of climate change could include changes in rainfall patterns, water shortages, changes to the water levels of lakes and other bodies of water, changing storm patterns and intensities and changing temperature levels. These changes could be severe and vary by geographic location. These changes could negatively impact consumer demand as well as our costs and ability to operate profitably. Climate change could also lead to disruptions in our operations due to major storm events or prolonged adverse conditions, changing temperature levels or flooding from lake or river level fluctuations.

Climate change may affect the occurrence of certain natural events, the incidence and severity of which are inherently unpredictable, such as an increase in the frequency or severity of wind and thunderstorm events, and tornado or hailstorm events due to increased convection in the atmosphere; more frequent wildfires and subsequent landslides in certain geographies; higher incidence of deluge flooding; and the potential for an increase in severity of the hurricane events due to higher sea surface temperatures. As a result, our business, including our customers and suppliers, may be exposed to severe weather events and natural disasters which could cause operating results to vary significantly from one period to the next. We may incur losses in our business in excess of: (1) those experienced in prior years, (2) the average expected level used in pricing, or (3) current insurance coverage limits. The effects of climate change also may impact our decisions to construct new facilities or maintain existing facilities in any areas that are or become prone to physical risks, which could similarly increase our operating and material costs. We could also face indirect financial risks passing through the supply chain that could result in higher prices for our operational inputs, including higher energy costs. Additionally, climate change may adversely impact the demand, price and availability of property and casualty insurance. Due to significant economic variability associated with future changing climate conditions, we are unable to predict the impact climate change will have on our business.

Changes in mineral tax laws in Michigan may have a negative impact on our business.

Michigan has minimal or no tax laws regarding mineral right ownership. Any changes to these tax laws would increase the Company's tax liability on these properties and would have a detrimental impact on our ability to operate the Company.

From time to time, we may be involved in lawsuits that cost significant time and money.

We cannot predict whether we may sue or be sued from time to time, but any litigation in which we become involved would likely cost us a significant amount of money and can distract management, which in turn can materially adversely affect our business.

<u>Risks Related to Our Common Stock</u>

Our common stock is not registered with the Securities and Exchange Commission 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." The Company has not filed any registration statements with the U.S. Securities and Exchange Commission (the "SEC"), and the Company's shares are not listed on any registered 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 has a "Limited Information" status on OTC Markets, and as a result the Company provides only more limited financial information and disclosures that are not sufficient to satisfy the more robust "Current Information" status requirements of the OTC Markets. There is also no assurance that the information provided by the Company would be sufficient to satisfy the disclosure requirements of any regulatory authorities such as the SEC.

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

Our common stock is thinly traded, and we have a very small public float. Many brokers are restricted from trading in our stock due to lack of sufficient public information, our "Limited Information" status on OTC Markets, 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 as well as reduce opportunities for investors to buy or sell our common stock.

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 Annual Report 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.

Risks Related to General Matters

We may not be able to retain the key management personnel we need to succeed, which could adversely affect our ability to successfully operate our businesses. We also face significant key person risk as a result of having only two employees.

To run our day-to-day operations and to successfully manage our businesses we must, among other things, continue to retain key management. We rely on the services of a small team of key executive officers. If any key executive departs, it could have a significant adverse effect upon our business. Also, increased competition for skilled management and staff employees in our businesses could cause us to experience significant increases in operating costs and reduced profitability. Because the Company only has two employees, we face significant key person risk in the event either employee is sick, becomes disabled, dies, takes an extended leave of absence or terminates employment. The loss of either employee could result in significant disruption to our operations and a decline in our efficiency, financial condition and profitability.

Section 2. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings which arise in the ordinary course of our business. We are not currently involved in any legal proceedings of which the outcome is reasonably likely to have a material effect on our results of operations or financial condition, nor are we aware of any such legal proceedings contemplated by governmental authorities.

Section 3. FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Keweenaw Land Association, LTD
Ironwood, Michigan 49938

Opinion

We have audited the accompanying consolidated financial statements of Keweenaw Land Association, LTD (a Michigan corporation) and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated statement of income, stockholders' equity, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Keweenaw Land Association, LTD as of December 31, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Keweenaw Land Association, LTD and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Keweenaw Land Association, LTD's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors and Stockholders
Keweenaw Land Association, LTD
Ironwood, Michigan 49938

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Keweenaw Land Association, LTD's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Keweenaw Land Association, LTD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Anderson, Tackman & Company, PLC
Certified Public Accountants
Marquette, Michigan

March 23, 2023

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDING DECEMBER 31, 2022

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Statement of Income
For the year ended December 31,

		2022
Revenues		
Lease Income	$	270,125
Expenses		
Cost of Sales		97,408
Gross Profit (Loss)		**172,717**
Selling, General & Administration Expenses		702,095
Income (Loss) Before Income Taxes		**(529,378)**
Income Tax Benefit - Continuing Operations		127,950
Income (Loss) from Continuing Operations		**(401,428)**
Discontinued Operations (Note 12)		
Earnings (Loss) from Discontinued Operations		(614,729)
Income Tax Benefit - Discontinued Operations		165,977
Income (Loss) from Discontinued Operations		**(448,752)**
Net Income (Loss)	**$**	**(850,180)**
Net Income Per Share:		
Basic and Dilutive - Continuing Operations	$	(0.34)
Basic and Dilutive - Discontinued Operations	$	(0.38)
Weighted Average Shares Outstanding:		
Basic and Diluted		1,180,983

See accompanying notes to consolidated financial statements

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2022

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Balance Sheet
As of December 31,

		2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	$	9,941,840
Cash Held in Escrow		-
Accounts Receivable		7,500
Prepaid Assets		15,533
Federal Income Tax Receivable		3,664
Total Current Assets		**9,968,537**
Non-Current Assets		
Mineral Rights		5,147,317
Land and Timberlands		115,850
Property, Plant, and Equipment, Net of Depreciation		21,509
Exploration and Evaluation		306,420
Total Non-Current Assets		**5,591,096**
Total Assets		**15,559,633**
Liabilities and Stockholders' Equity		
Accounts Payable		7,335
Other Accrued Liabilities		55,918
Total Current Liabilities		**63,253**
Non-Current Liabilities		
Non-Current State and Federal Deferred Income Tax Liability		249,883
Total Liabilities		**313,136**
Stockholders' Equity		
Common Stock (10,000,000 shares authorized, no par value,		
1,180,983 shares issued and outstanding)		77,229
Retained earnings		15,169,268
Total Stockholders' Equity		**15,246,497**
Total Liabilities and Stockholders Equity		**15,559,633**

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENT STATEMENTS OF STOCKHOLDERS’ EQUITY FOR THE YEAR ENDING DECEMBER 31, 2022

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Statement of Stockholders' Equity
As of December 31,

	Common Stock Issued		Amount		Retained Earnings		Total Stockholders' Equity
Balance, January 1, 2022	**1,296,173**	**$**	**84,760**	**$**	**18,315,717**	**$**	**18,400,477**
Net Income (Loss)	-		-		(850,180)		(850,180)
Shares Purchased	(115,190)		(7,531)		(2,296,269)		(2,303,800)
Balance, December 31, 2022	**1,180,983**	**$**	**77,229**	**$**	**15,169,268**	**$**	**15,246,497**

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDING DECEMBER 31, 2022

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Statement of Cash Flows
For the year ended December 31

		2022
Cash Flows from Operating Activities		
Net Income (Loss) from Continuing Operations	**$**	**(401,428)**
Depletion, Depreciation and Amortization		1,536
Decrease (Increase) in Accounts Receivable		532,817
Decrease (Increase) in Prepaid Assets		44,558
Decrease (Increase) in Federal Income Tax Receivable		211,582
Increase (Decrease) in Accounts Payable		(120,524)
Increase (Decrease) in State and Federal Deferred Income Taxes		(294,423)
Net Cash Used by Operating Activities - Continuing Operations		**(25,882)**
Net Income (Loss) from Discontinued Operations		**(448,752)**
Decrease (Increase) in Log Inventory		72,484
Increase (Decrease) in Other Accrued Liabilities		(39,360,950)
Net Cash Used by Operating Activities - Discontinued Operations		**(39,737,218)**
Net Cash Flow Used by Operating Activities		**(39,763,100)**
Cash Flow From Investing Activities		
Purchase of Land and Timber		(115,850)
Purchase of Mineral Rights		(4,800)
Net Cash Flow From Investing Activities		**(120,650)**
Cash Flow From Financing Activities		
Repurchase of Common Stock		(2,303,800)
Net Cash Flow From Financing Activities		**(2,303,800)**
Change in Cash and Cash Equivalents and Cash Held in Escrow		**(42,187,550)**
Cash and Cash Equivalents, beginning of period		**52,129,390**
Cash and Cash Equivalents, end of period		**9,941,840**
Restricted Cash Held in Escrow		
Cash and Cash Equivalents		9,941,840
Restricted Cash Held in Escrow		-
Cash Paid (Received) during the year for:		
Interest Paid		-
Federal and State Income Taxes Paid		38,323,093

See accompanying notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

KEWEENAW LAND ASSOCIATION, LIMITED
Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all its wholly owned subsidiaries. Significant inter-company accounts and transactions have been eliminated. The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") of the United States of America.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and to disclose contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the period.

Exploration and Evaluation Cost

Exploration and evaluation costs include those costs associated with mineral resource evaluation and are accumulated on prospective assets that may be advanced for future development. See Note 3 for additional details.

Deferred Income Taxes

Deferred income taxes are determined utilizing a liability approach. This method gives consideration to the future tax consequences associated with the differences between the financial accounting and tax basis of assets and liabilities.

Common Stock

All Keweenaw common shares previously purchased by the Company are considered authorized but unissued shares. The cost basis for Keweenaw's common shares was determined to be $0.065392 per share. This is the amount credited to common stock when stock is issued. The excess of the issue price over cost is credited to retained earnings.

Property, Plant, and Equipment

Assets were carried at cost and the provision for depreciation was generally computed using the straight-line method over the estimated useful lives of the assets among major asset classes from 3 to 40 years. Buildings were depreciated over 10-40 years, office furniture and machinery and equipment over 3 to 7 years, vehicles over 5 years, and land improvements over 15 years, all using the straight-line method.

Fair Value Measurements

Management has reported all significant financial assets and liabilities at their fair value (see Note 9) to the financial statements. The Company's estimates of fair value of financial and non-financial assets and liabilities are based on the framework established in the fair value accounting guidance. The framework specifies a hierarchy of valuation inputs which was established to increase consistency, clarity and comparability in fair value measurements and related disclosures. The hierarchy contains three levels of inputs that may be used to measure fair value, two of which are considered observable and one that is considered unobservable. The following describes the three levels:

Level 1 – Valuation is based upon quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuation is based upon inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include option pricing models, discounted cash flow models and similar techniques.

Revenue Recognition - Lease Income

The Company currently leases real estate consisting of commercial properties and mineral assets which are accounted for in accordance with ASC Topic 606, *Revenues from Contracts with Customers.* Should the Company enter into a new lease agreement, this agreement will be evaluated against both ASC Topic 842, *Lease Accounting* and ASC Topic 606, *Revenue from Contracts with Customers* to correctly determine the scope under which the agreement falls. Lease contracts related to mining and mineral exploration typically contain provisions for increasing rents to incentivize project advancement.

The Company reviews the collectability of charges under its current leases on a regular basis, taking into consideration changes in factors such as tenant payment history, financial condition, business conditions of the industry and economic conditions of the area. In the event collectability from lease charges becomes unlikely, the Company will recognize an adjustment to lease income.

The following table summarizes the Company's current leases under contract:

	2022	2023	2024	2025	2026	2027	Thereafter	Total
Future Lease Payments	$ -	$271,025	$354,700	$354,700	$354,700	$354,700	$2,664,700	$4,354,525

2. Mineral Rights

On September 21, 2021, the Company closed on a transaction to acquire 29,071 acres of minerals rights from Sage Minerals Inc. for $5,142,517 in an all-cash purchase. The acquisition included 2,500 acres that are currently under a lease, option, and royalty agreement. The aggregate fair value of the mineral rights acquisition was allocated and is reflected in the consolidated financial statements in accordance with accounting guidance for asset acquisitions. At the time of acquisition, these assets were considered Level 3 fair value measurements. The resulting allocation was $4,011,163 to mineral assets in which the Company holds a lease, option, and royalty agreement, and the remaining $1,131,354 was allocated to remaining mineral interests.

On October 29, 2022, the Company closed on a transaction to acquire 120 acres, in an all cash purchase. The acquisition included all historic data related to the property. At the time of acquisition, these assets were considered Level 3 fair value measurements. The resulting allocation was $4,800 to mineral assets, and $115,850 to Land and Timber.

3. Exploration and Evaluation

The Company owns 428,909 acres of mineral rights predominantly in Michigan's Upper Peninsula. Recently, the Company has advanced activities to systematically review these mineral assets using modern techniques. The Company considers its activities to be early-stage exploration conducive to project generation activities that could potentially lead to developing prospective properties into desirable projects that may attract additional investment from market participants.

The Company capitalizes exploration and evaluation expenditures consistent with the full cost method where costs are specifically attributable to identifiable, prospective properties until a determination can be deduced as to the existence of an ore deposit. Phase 1 exploration work may include acquisition rights, prospecting, geophysics, sampling, mapping, drilling, assaying and other work associated with finding ore deposits. No additive capitalized costs that meet these criteria were incurred as of during the fiscal year ended December 31, 2022. The balance of capitalized costs related to exploration and evaluation was $306,420 as of December 31, 2022.

The Company may determine at a point in time that costs accumulated for activities related to specific identifiable properties may be impaired and be required to be written off. Impairment of the asset may be attributed to:

- The right to explore in an area has or will expire soon without renewal
- No further exploration is planned or budgeted
- A decision to discontinue exploration and evaluation based on lack of minerals; or
- Sufficient data exists that indicates the book value is not recoverable

The Company did not recognize any impairment on its exploration and evaluation assets during the year ending December 31, 2022.

4. Income Taxes

The Company recorded the following federal and state income tax expenses from continued and discontinued operations during the fiscal year ended December 31, 2022:

Current:		2022
Federal - Continuing Operations	$	-
Federal - Discontinued Operations		407
State - Continuing Operations		-
State - Discontinued Operations		89
		496

Deferred and other:		2022
Federal		(244,035)
State		(50,388)
		(294,423)
Total Income Tax Expense (Benefit)	**$**	**(293,927)**

The reconciliation between the effective tax rate on income and the statutory tax rate is as follows:

		2022
Tax Provision (Benefit) computed at statutory rate	$	(240,892)
State Income taxes net of federal benefit		(53,035)
Income Tax expense (Benefit)	**$**	**(293,927)**

Deferred tax liabilities and assets are determined on the difference between the financial statements carrying amounts and the tax basis of assets and liabilities using enacted tax rates for the years in which differences are expected to reverse. Significant components of the federal and state deferred tax liability as of December 31, 2022, are as follows:

Non-Current:		2022
Mineral Rights	$	(597,510)
Offset for State Deferred Tax Liability		12,271
Net Operating Loss Carry Forward		393,789
Total Non-Current		(191,450)
Total Federal Deferred Tax Liability	$	(191,450)

Non-Current:		2022
Mineral Rights		(170,717)
Net Operating Loss Carry Forward		112,284
Total Non-Current		(58,433)
Total State Deferred Tax Liability	$	(58,433)

The Company has a Federal and State net operating loss carryforward for income tax purposes of $1,871,402. This carryforward can be carried forward indefinitely.

During the fiscal year ended December 31, 2022, the Company was required to pay income taxes largely related to the sale of the timberland assets. This payment was a significant cash outflow for the Company in 2022 and is recorded in the Increase (Decrease) in Other Accrued Liabilities line of the Consolidated Statement of Cash Flows. The company classified these payments under the Discontinued Operations Category. A summary of the tax payments made during the fiscal year ended December 31, 2022, and other accrued liabilities is provided below:

Increase (Decrease) in Other Accrued Liabilities		**2022**
State of Wisconsin Taxes	$	1,210,000
State of Michigan Taxes		8,012,593
Federal Income Taxes		29,100,500
Contingent Liability		723,500
Other Accrued Liabilities - from Discontinued Operations		39,046,593
Other Accrued Liabilities - from Continuing Operations		314,357
Total	$	39,360,950

5. Retirement Plans

The Company is the sponsor of a 401(k) deferred compensation plan. The Company makes matching contributions equal to fifty percent of employee elective deferrals, not to exceed five percent of compensation as defined in the plan. Expenses related to the Company's 401(k) plan were as follows:

		2022
Total 401(k) Expense	$	38,200

6. Concentration of Credit Risk

For the year ending December 31, 2022, two customers accounted for 100% of the Company's Income from Continuing Operations.

Cash and cash equivalents consist of cash on hand, demand deposits in banks and short term treasury bills maturing in less than three months. The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash and cash equivalents. At times throughout the year, the Company may, in the ordinary course of business, maintain cash balances in excess of Federal Deposit Insurance Corporation ("FDIC") insurance coverage, and as a result, there is concentration of credit risk related to amounts on deposits in excess of FDIC insurance coverage. The Company had $9,941,840 in cash and cash equivalents of which $7,207,113 was held in excess of FDIC-insured limits and $2,484,503 held in treasury bills, as of December 31, 2022,.

7. Stock Based Compensation

On August 27, 2018, the Company established the Stock Incentive Plan of 2018 for eligible employees (the "Incentive Plan"). No additional shares were issued during the year ended December 31, 2022.

8. Earnings Per Share

The following table provides the details and calculations of the basic and diluted earnings per share:

EPS		2022
Income from Continuing Operations	$	(401,428)
Income from Discontinued Operations		(448,752)
Shares used for basic earnings per common share		1,180,983
Basic earnings per common share - Continuing Operations	$	(0.34)
Basic earnings per common share - Discontinued Operations	$	(0.38)

9. Fair Value Measurements

The carrying value of cash and cash equivalents, receivables, and account payable and accrued liabilities are reasonable estimates of their fair values because of the short maturity of these financial instruments.

10. Cash Held in Escrow

As part of the timberland asset sale, the Company and the purchaser agreed to set aside $10,000,000 of the purchase proceeds to be held in escrow for purposes of contingent liabilities that could potentially arise between the closing date and December 22, 2022, upon which, the funds were to be released to the seller. These funds were released net of the $723,500 contingent liability identified early in 2022. The balance of Cash Held in Escrow is $0 as of the reporting date. The Cash Held in Escrow funds were used as a part of the tender share repurchase and have subsequently been returned to the Company for use in operations and capital allocation endeavors.

11. Contingent Liabilities

As of December 31, 2021, the Company identified conditions in a contract that could no longer be fulfilled after the sale of the timberland assets. Prior to issuing the financial statements, the Company agreed in principle to settle with the contracted party for $723,500. This liability was evaluated in accordance with ASC Topic 450 *Contingencies* and was accrued on the Company's balance sheet under Other Accrued Liabilities. This liability was paid from the funds held in escrow for contingent liabilities related to the timberland transaction during the second quarter of 2022. The Company did not identify other significant liabilities per ASC 405, that arose from the timberland sale in 2021.

12. Discontinued Operations

During the fiscal year ended December 31, 2022, the Company incurred transactions that it considers to be unusual or infrequent and do not relate to the continuing operations of the Company. These expenses have primarily been incurred due to the timberland asset sale. Severance and benefit costs relate to workforce reductions that occurred at the end of 2021 and throughout 2022. Professional service costs relate to legal and accounting items related to the Timberland transaction that extended into 2022. A summary of these items is provided below:

Earnings (Loss) from Discontinued Operations		2022
Other Income - Timber	$	259,445
Other Income - Interest		16,185
Other Income - Miscellaneous		25,350
Other Expense - Timber		(340,737)
Severance and Benefits		(379,517)
Professional Services		(170,799)
Other Miscellaneous		(24,656)
Other Income (Loss)	$	(614,729)

Timber Sales

The Company was required to complete "stumpage" sales that were contracted with landowners other than Keweenaw prior to the timberland transaction in 2021 that the acquiring company did not want to purchase as part of the transaction. The Company was able to complete and close all contracted "stumpage" sales in 2022.

The Company recognized revenue when control of promised goods or services ("performance obligations") was transferred to a customer in an amount that reflected the consideration expected in exchange for those goods or services ("transaction price").

The Company generally satisfied performance obligations within a year of entering into a contract, and therefore has applied the disclosure exemption found under ASC 606-10-50-14. There were no unsatisfied performance obligations as of December 31, 2022.

The Company maintained master contracts or purchase agreements with each of its timber customers. Contract types included: Delivered wood and Stumpage (pay as cut). Specific price lists identified prices, terms and conditions for the transaction price and delivery point for each sale. Price lists are updated periodically to reflect market conditions.

Contract Type	Performance Obligation	Revenue Recognition	General Terms of Payment
Stumpage (pay as cut)	Harvest rights	Paid as Cut (point-in-time)	Weekly or Net 15

Other Miscellaneous Income

Revenue from other miscellaneous income consisted of monies received from several real estate transactions relating to non-timber related properties that the company retained as a part of the timberland transaction sale in the fiscal year ended December 31, 2021.

13. Subsequent Events

The Company has evaluated subsequent events through March 23, 2023 the filing date the financial statements were available to be issued and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

Section 4. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with Keweenaw’s accompanying consolidated financial statements and Notes thereto contained in Section 3 of this Annual Report. See also “Cautionary Note Regarding Forward-Looking Statements” in the preceding Section II of this Annual Report for the year ended December 31, 2022.

Overview

As of December 31, 2022, Keweenaw owned approximately 428,909 acres of subsurface mineral rights predominantly in the western Upper Peninsula of Michigan. Keweenaw historically earned the majority of its net income from the sale of logs harvested from its forestlands and from the sale of selected real estate parcels. Keweenaw’s main revenue source now relates to the mineral leases across our mineral ownership.

Highlights

Finalizing Timberland Transaction and Rightsizing the Company with Austerity Measures

Throughout 2022, the Company was able to finalize items relating to the timberland transaction of 2021. A significant component related to closing out the contingent liability was agreeing to settle a contractual liability in the amount of $723,500. This amount was identified prior to issuing the 2021 financial statements, and did not increase at all during ongoing activities in 2022 thanks in large part to efforts of prior and current management. Additional activities included completing timber stumpage sales that were not a part of the timberland transaction, reducing staff, reducing overhead and structuring the Company to operate as lean as possible. The stumpage sales were required and generated some limited cash flow, however the Company was not able to realize the economies of scale we would have normally achieved when we were still an active timberland manager.

In an effort to combat the marginal strains accompanying further Copperwood Project delays, the Company also implemented several austerity measures, including the planned closure of its corporate headquarters located in Ironwood, Michigan in October 2022 followed by a move to a remote work environment. The Company 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 a 12-month period. The staff and overhead reductions leave the Company’s current headcount at two employees in a remote work environment.

Mineral and Timberland Acquisition

On October 29, 2022, the Company closed on the purchase of approximately 120 acres of surface and mineral properties for a purchase price of $120,650. The primary driver for the purchase was to increase Keweenaw’s ownership of the mineral reserves in Gogebic County providing more contiguous ownership. The transaction also includes all historical data related to the property such as samples, cuttings, drill cores, assays and exploration reports. The surface property was also well stocked from a timber perspective. Total capitalized costs for the purchase were $4,800 for mineral rights and $115,850 for land and timber.

Modified Dutch Auction Tender

On December 20, 2022, the Company completed its previously announced modified “Dutch auction” tender offer in which it offered to purchase shares of Keweenaw common stock for cash in a total amount not to exceed $5,806,604. Based on the final count by Equiniti Trust Company, the depositary for the tender offer, a total of 115,190 shares of common stock were validly tendered and not validly withdrawn at or below the purchase price of $20.00 per share, including shares that were tendered through notice of guaranteed delivery. In accordance with the terms and conditions of the tender offer, Keweenaw accepted for purchase 115,190 shares of common stock at the purchase price of $20.00 per share, for a total cost of $2,303,800, excluding fees and expenses. The total of 115,190 shares of common stock accepted for purchase represents approximately 8.9% of Keweenaw’s total shares of common stock outstanding as of December 20, 2022. There was no proration factor and the depositary promptly paid for the shares of common stock accepted for purchase pursuant to the tender offer, subject to applicable withholding taxes.

Liquidity and Capital Resources

Keweenaw's cash flow from operations in 2022 was negative ($39,763,218). The primary driver in this cash reduction was the payment of state and federal income taxes of $38,323,093 in 2022 from the timberland asset sale which closed on December 27, 2021. This reduction in cash flow is recorded in the Other Accrued Liabilities line of the Consolidated Statement of Cash flows and is further described in Note 4. This tax liability is largely due to the limited tax basis in the land-grant properties that were sold by the Company in 2021. Other cash flow reductions in 2022 largely involve the severance and benefits related to the timberland transaction as well as legal and accounting costs also related to the timberland transaction that extended into 2022. Since the close of the timberland asset sale, the Company's business has fundamentally changed. Keweenaw Land Association, Limited is now a mineral-focused company. The majority of cash flows from continuing operating activities relate to our active mineral leases primarily at the Copperwood Project.

The Company currently holds a total of $9,941,840 in operating cash. The cash held in escrow has been returned to operations as of December 22, 2021. During 2022, the Company incurred an operating loss which in turn has created a tax benefit of $293,927, which is being used to offset the Company's deferred tax liability on the balance sheet.

The Company maintains a standby letter of credit with Associated Bank, N.A., in the amount of $40,000 in relation to our state mineral leases.

The Company has no other long-term obligations as of December 31, 2022. The Company expended $2,303,800, excluding fees and expenses, in relation to the modified "Dutch Auction" tender offer and share repurchase during the fiscal year ended December 31, 2022.

During the fiscal year ending December 31, 2022, the Company expended $120,650 in capitalized cost for the acquisition of a specific mineral and timberland property. These expenses were capitalized as mineral rights and land and timber, respectively, on the balance sheet.

Discontinued Operations

A primary focus of Management and the Board of Directors in 2022 has been the evaluation and overall reduction of Sales, General and Administrative costs. A number of costs have been incurred that relate to legacy Keweenaw operations or as a result of the timberland transaction in 2021. The Company has made significant progress to reduce and eliminate these costs during 2022. Management does not expect these costs to continue beyond 2022 and therefore classifies them under the guidance of ASC Topic 205, *Discontinued Operations*.

Section 5. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

None.

Section 6. OTHER INFORMATION

The Company utilizes the following professional service providers:

Transfer Agent	Legal Counsel	Auditor
Equinity (EQ) Shareowner Services	Dickinson Wright	Anderson, Tackman & Company, PLC
1110 Centre Pointe Curve, Suite 101	350 S Main St., Suite 300	102 W. Washington St.
Mendota Heights, MN 55120	Ann Arbor, MI 48104	Marquette, MI 49788
1-855-217-6361	734-623-1905	906-225-1166
Attn: Daisy Kuhn, Relationship Manager	Attn: Bradley Wyatt	Attn: Dan Bianchi

SIGNATURE AND CERTIFICATION

I, Timothy G. Lynott being the sole executive officer of Keweenaw Land Association, Limited, certify that:

1. I have reviewed this December 31, 2022, Annual Report of Keweenaw Land Association, Limited;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make statements made, in light of the circumstances under which such statements were made, not mislead with respect to the period covered by this disclosure statement.

SIGNED,

KEWEENAW LAND ASSOCIATION, LIMITED

Date: March 31, 2023

By: Timothy Lynott