



# **Keweenaw Land Association, Limited**

## **Investor Presentation**

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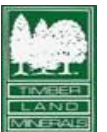
April 26, 2013

# Keweenaw Land Association, Limited

## Strategic Plan

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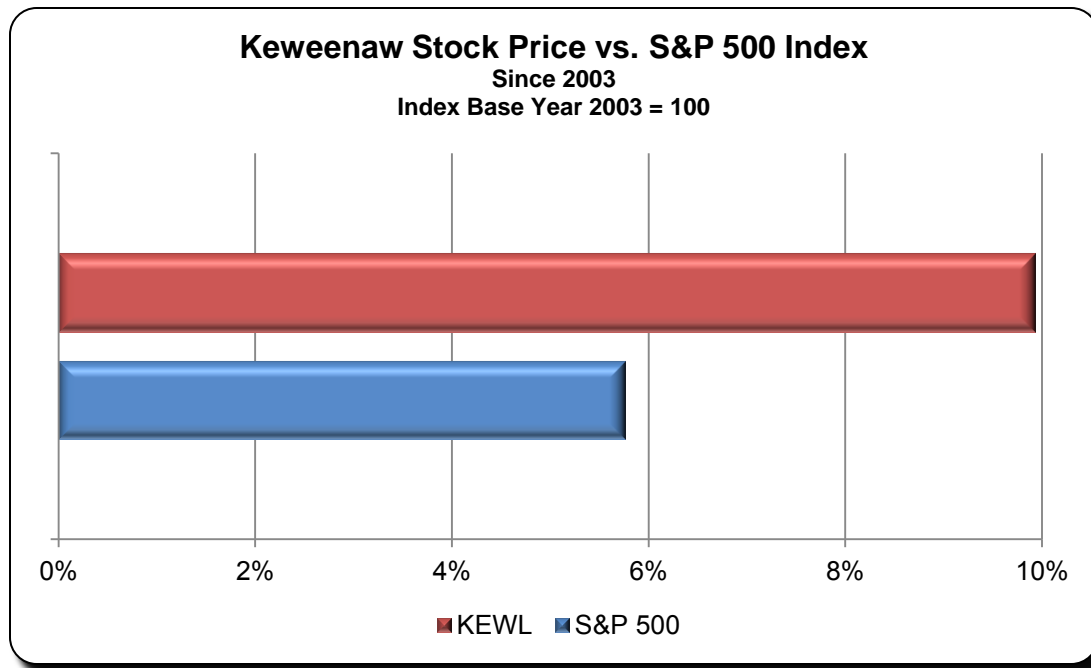
- **Core Business**
  - Commercial forestry company with real estate and mineral assets appreciation
- **Strategic Objective**
  - Manage assets for long-term growth and capital appreciation
- **Management Initiatives**
  - Upgrade and consolidate timberland holding
  - Optimize non-strategic holdings through sale or development
  - Promote development of mineral ownership through leasing to qualified exploration and mining companies
  - Pursue new revenue opportunities in Ecosystem Services markets



# Keweenaw stock has outperformed S&P 500 over past 10 years

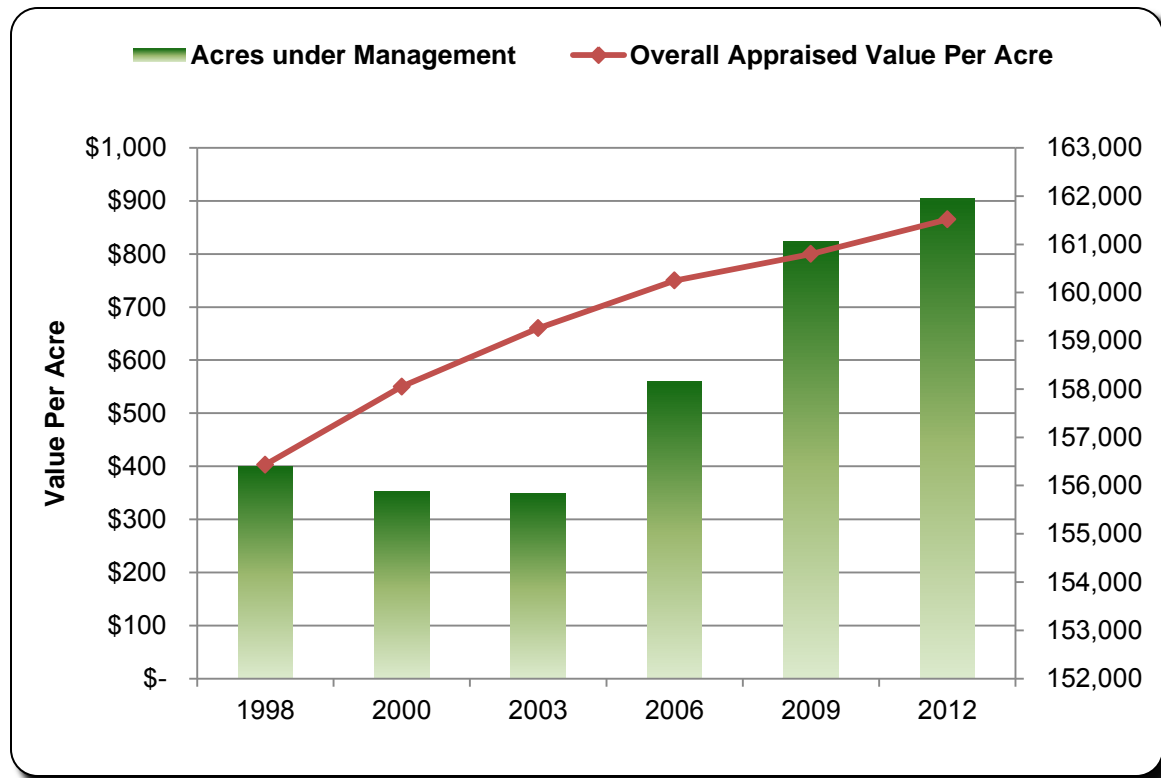
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- Stock compound annual growth of 9.9% vs. 5.7% for S&P 500



# Active management has resulted in increased value of land and timber assets

- Per acre value up over 8% since 2009 appraisal, 115% since 1998
- Conducted independent third-party appraisals since 1998
- Executive Summary of recent appraisal provide to shareholders on website



# Management remains focused on value creation

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- Upgraded and consolidated ownership in cost effective, tax efficient manner
  - Accomplished through IRS Section 1031 Like-Kind Exchanges and outright purchase
  - Since 2003, disposed of 5,700 acres of HBU, non-strategic, and low productive lands
  - Acquired over 11,000 productive timberland
  - Reduced total non-strategic lands by 14%
- Optimize HBU land holdings through sale or development
  - Created several rural property developments
  - Sold 31 lots since program inception
  - Generated over \$883,000 in gross margin and “as-is” land sales income



# Capitalizing on other revenue opportunities

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- Actively promoting development of the mineral resources
  - 2008 - Orvana
  - 2011 - Trans-Superior, Gogebic-Taconite
  - 2012 - Keweenaw Copper Co.
  - Developed Mineral ownership map
  - Contacted over 85 mining/exploration companies since 2006
- Marketing a Timber Investment Fund for third-party investors
- Investigating emerging Eco-system Services Markets
  - Forest Carbon Trading/Markets
  - Conservation Easements
  - Mitigation Banking
- Previously analyzed investment proposals
  - Sawmill
  - Bio-fuel/wood pellet facility



# Keweenaw practices good corporate governance

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- Five of six Board members are classified as independent
- Corporate officers are employees, not Board members
- Separate President and Chairman positions
- Audit, Nominating, and Compensation committees are all fully independent
- Audit Committee held 4 meetings in 2012
- Auditors granted unqualified opinion
- All payments to auditors disclosed in 2013 proxy statement



# Keweenaw voluntarily complies with key Sarbanes-Oxley provisions

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- Section 202 – No Outside Services by Auditor
- Section 204 – Auditor Reports to Audit Committee
- Section 206 – No Conflict of Interest by Auditor
- Section 302 - Corporate Responsibility
  - Principle officers certify and approve financial reporting
  - Officers responsible for internal controls
  - Extensive disclosure to shareholders in Annual and Quarterly Reports
  - Continuous review of internal controls for deficiencies
- Section 806 – Whistleblower Protection
  - Fraud Reporting Hotline provided by outside service
  - Information sent directly to Audit Committee



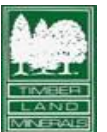


# Extremely experienced and qualified nominees

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## **John E. Earhart** – Director since 1991

- Over 35 years of experience international environment and conservation fields
- Currently Chairman and Founding Member of the Global Environmental Fund (GEF), a US-based financial advisory group with approximately \$1 billion of private equity investments. GEF invests in emerging markets, clean technologies, and sustainably managed natural resources companies
- Managing Director of GEF's Emerging Markets Forestry Fund and serves on its investment committee
- Sits on investment committee for GEF's recently launched Africa Sustainable Forestry Fund
- As a professional forester, served as technical advisor and helped structure private equity investments, and secured project finance and international grants for numerous international projects
- Serves on the board of directors of several forestry-related portfolio companies managed by GEF, all of which have a presence in international markets
- Graduate of California State University and the Yale School of Forestry and Environmental Studies



# Extremely experienced and qualified nominees

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## **Marjorie E. Nesbitt** – Director since 1988

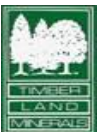
- President and Founder of Eight Points Asset Management, LLC, which provides oversight of real estate and closely-held businesses for institutional fiduciaries and high net worth families
- Managing Director of Tuteur Haus GmbH & Co. KG, a family-owned commercial real estate company in Berlin, Germany
- Has actively managed, negotiated, acquired, and divested real estate, oil and gas, insurance assets, and other businesses
- Extensive experience in trusts and estate administration utilizing strong fiduciary risk management skills
- Chief Executive Officer of Cafritz Company (2006-07), a privately held real estate services firm
- Senior Vice President, Chief Investment Officer of Citigroup Trust (1979 - 2005). Responsible for investment policy of \$14 billion under management and for the management of all Special Investments
- Trustee Emerita of Pine Manor College, served previously as Co-Chair of the Board, Treasurer and Investment Committee Chair
- Chartered Financial Analyst since 1982
- Graduated cum laude from Babson College with a BS in Accounting



# Keweenaw has conducted comprehensive evaluations of investor proposals

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- **REIT Conversion**
  - \$17 million in retained earnings must be distributed prior to conversion
  - Must raise capital by issuing shares, debt, or sell 19% of land base
  - Dividend distribution eliminates land acquisition opportunities
- **Share Buyback**
  - No cash to fund meaningful buyback program



# Annual SEC Registration/NASDAQ listing fees would exceed 30% of Keweenaw's Pre-Tax Income

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- **SEC Registration expenses significant for small companies**
  - \$300,000 in one-time SEC Registration expenses
  - \$250,000 in annual SEC related cost
    - New financial reporting system
    - Sec 404 – Internal control compliance
    - Internal staffing, legal and professional services
    - Change to SEC Qualified Auditors
- **NASDAQ listing fees prohibitive**
  - NASDAQ Global Market Entry Fees - \$125,000
  - Annual Listing Fees - \$35,000



# Contact Information

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**If you have questions or wish to contact us regarding this presentation material, please call or email us at:**

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**Email – [Investors@keweenaw.com](mailto:Investors@keweenaw.com)**

**David Ayer – Chairman**

**Brian D. Glodowski – President**

**Keweenaw Land Association, Limited**

