

**First Quarter Report**  
**For the Period Ending March 31, 2010**  
**Issue Date April 30, 2010**

*Highlights*

- First Quarter Net Loss \$0.32 Per Share
- Increased Demand For Pulpwood and Veneer Over 2009 Levels

Keweenaw Land Association, Limited announces a First Quarter 2010 net loss of \$0.32 per share compared to a net loss of \$0.28 for the same period in 2009. Net income (loss) per share arose from the following sources:

	Earnings Per Share	
	1st Qtr 10	1st Qtr 09
Timber Operations Income	\$ (0.01)	\$ (0.11)
Capital Gains-Sale of Land	-	0.04
Capital Gains-Investments	-	-
Other Income	0.06	0.14
Other Expenses	(0.35)	(0.37)
Income Taxes	(0.02)	0.02
	<u>\$ (0.32)</u>	<u>\$ (0.28)</u>

During the quarter, Keweenaw harvested logs totaling 24,927 cord equivalents (c.e.), a 7% increase compared to 23,389 c.e. produced over the same period in 2009. Average snowfall and lower temperatures than in 2009 improved winter logging conditions, allowing increased production. Harvest volume included 22,404 c.e. from company land, or 90% of total production. Keweenaw also produced 2,523 c.e. from procured timber sales. Total logs harvested included 1,878 thousand-board feet (mbf) of sawtimber and 20,796 cords of pulpwood. This represented a production mix of 17% sawtimber and 83% pulpwood, slightly better than in 2009. Like 2009, veneer and sawlog production was down in 2010 because winter harvest areas contain a higher concentration of pulpwood. The company sold logs amounting to \$2,323,192, up 8% from 2009, resulting primarily from increased production volume. Log sales per c.e. were \$92 compared to \$99 in 2009. Market demand for veneer and sawlogs increased during the first three months of 2010, and sawtimber price realization should improve as our customers look to boost mill inventories. Pulp mills are also anticipating more orders, sparking optimism of a recovery in the paper industry.

The company's cost of goods sold for the first quarter was \$1,862,049, compared to \$1,759,063 last year, a 6% increase. Per cord equivalent sold, cost of goods sold was \$74 compared to \$81 last year. Logging costs averaged \$1 per c.e. each less than in the prior year while freight costs remained approximately the same. Road spending amounted to \$159,479, compared to \$181,300 in 2009, a 12%

decrease. Keweenaw's gross margin on timber sales was \$461,143 or \$18 per c.e. versus \$397,907 or \$18 per c.e. last year.

Winter logging effectively ended on March 8 when the local road authorities implemented springtime weight limits on regional roads. As in the past, Keweenaw has been able to sell all of its production during the quarter while limiting inventory holding costs. While initially the market forecast for 2010 seemed less than optimistic, Keweenaw has recently noticed an uptick in demand for its pulpwood and high-value veneer logs. Overall, the company expects to recognize a higher return for its harvest production as the industry picks up momentum. As demand increases, the company's long-term business strategies and customer relationships which served the company well during a down economy will continue to produce positive results.

Over the past decades, Keweenaw has consistently adhered to its strategy of managing its timber assets for long-term value and growth. The company's environmental and sustainable forestry practices have been independently audited and certified as "well-managed" by SmartWood, under the auspices of the Forest Stewardship Council, since 1994.

Keweenaw's common stock traded in a range from \$165.00 to \$196.00 per share during the first quarter with an ending price of \$190.00. 28,520 KLA shares were traded, approximately 4% of outstanding shares. This compares to 26,337 shares traded last year. As with any investment, past performance is not a guarantee of future results. Keweenaw's shares trade in the pink sheets using the symbol KEWL.

The annual meeting of Keweenaw shareholders will be held May 24, 2010, in Ironwood, MI. Notices and voting information will be provided for shareholders of record at the end of business March 29, 2010. We hope to see you there.

Sincerely,

*David Ayer*  
David Ayer, Chairman

## KEWEENAW LAND ASSOCIATION, LIMITED

### CONSOLIDATED FINANCIAL HIGHLIGHTS

For the Quarter	2010		2009	
	1st Qtr	YTD	1st Qtr	YTD
Receipts	\$2,363	\$2,363	\$2,271	\$2,271
Net Income (Loss)	(209)	(209)	(180)	(180)
Comprehensive Income	(60)	(60)	(385)	(385)
Capital Employed	15,511	15,511	16,496	16,496

\*Dollar amounts in thousands

#### Per Common Share

Net Income	(\$0.32)	(\$0.32)	(\$0.28)	(\$0.28)
Comprehensive Income	(0.09)	(0.09)	(0.60)	(0.60)
Dividends Paid	0.00	0.00	0.20	0.20

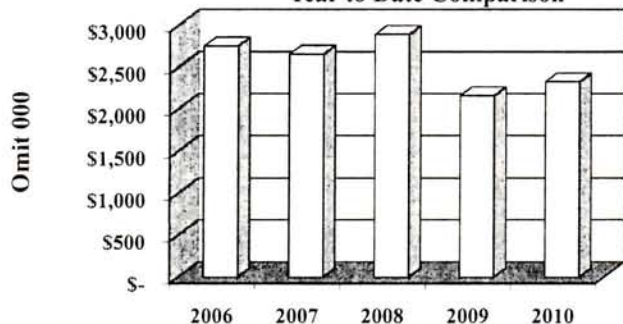
\*Based on weighted average shares outstanding

#### Statistics

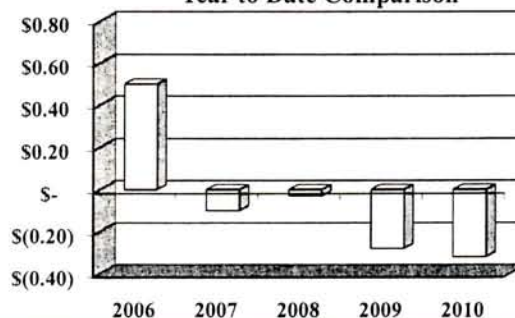
Return on Capital Emp.	-5.4%	-5.4%	-4.4%	-4.4%
Dividend Payout Ratio	0.0%	0.0%	171.4%	171.4%
Avg Shares Outstanding	645,315	645,315	645,481	645,481
Curr Shares Outstanding	645,315	645,315	645,506	645,506



**Keweenaw Log Sales**  
Year to Date Comparison



**Keweenaw Earnings Per Share**  
Year to Date Comparison



### SHAREHOLDER INFORMATION

#### First Quarter 2010 Highlights:

High: \$196.00, Low: \$165.00, Last: \$190.00  
Source: Real Tick-Townsend Analytics, Ltd.

#### Dividend Information:

The Board of Directors has eliminated shareholder dividends beginning in 2010.

#### Keweenaw Contact Information:

Keweenaw Land Association, Limited  
1801 E Cloverland Dr, PO Box 188  
Ironwood MI 49938  
Phone: (906) 932-3410 or  
Toll Free: (877) 539-3362  
Fax: (906) 932-5823  
Email: [investors@keweenaw.com](mailto:investors@keweenaw.com)  
Web Page: [www.keweenaw.com](http://www.keweenaw.com)

#### Transfer Agent:

Wells Fargo Shareowner Services  
161 N. Concord Exch, POB 64854  
South St. Paul, MN 55164-9440  
(800) 468-9716 or (651) 450-4002

#### Stock Exchange Information:

Keweenaw's common stock trades under "KEWL" in the Pink Sheets.

#### GLOSSARY:

**Board Foot (BF)** - a measurement of sawtimber 12 inches x 12 inches x one inch. When used in conjunction with sawtimber or logs, a measurement system to approximate the output of lumber that can be expected from a given quantity of sawtimber or logs. **Cord Equivalent** - a measurement of logs in cords including logs converted in measurement from other measurement methods. For example, one thousand board feet (MBF) equals approximately 2.2 cords. **Cord** - a measurement of logs containing 128 cubic feet. **MBF** - a thousand board feet. **Production Mix** - the ratio of a category of production to total production. **Pulpwood** - logs cut primarily to be converted to wood pulp for the manufacture of paper and other wood fiber products. **Sawbolt** - a lower grade or smaller size sawlog typically sawn for the manufacture of pallets or other coarse wood products. **Sawlogs** - a higher grade or larger size sawtimber sawn for the manufacture of furniture grade lumber, flooring lumber, or other high quality wood products. **Sawtimber** - a category of logs suitable for veneer, sawlogs, or sawbolts. **Veneer** - a category of sawtimber clear of defects suitable for manufacture as veneer paneling, furniture and cabinetry veneer.

**KEWEENAW LAND ASSOCIATION, LIMITED**  
**Consolidated Balance Sheet (Unaudited)**  
**March 31, 2010**

ASSETS	Note	Mar. 31, 2010	Mar 31, 2009	% Chg
<b>Current Assets</b>				
Cash & Cash Equivalents		\$365,375	\$1,824,688	-80%
Accounts Receivable		117,547	174,264	
Investments in Government Obligations		0	0	
Other Current Assets		352,005	724,457	
<b>Total Current Assets</b>		<u>834,927</u>	<u>2,723,409</u>	-69%
Investments in Marketable Securities		3,551,277	2,007,335	77%
<b>Other Non-Current Assets</b>				
Equipment		611,823	625,379	-2%
Properties		11,675,564	11,810,278	-1%
<b>TOTAL ASSETS</b>		<u>\$16,874,291</u>	<u>\$17,370,967</u>	-3%
 <b>LIABILITIES &amp; CAPITAL</b>				
<b>Current Liabilities</b>				
Accounts & Deposits Payable		\$95,529	\$26,466	
Commercial Lines of Credit & Other Debt		304,549	750,008	
Other Accrued Liabilities		319,937	308,024	
<b>Total Current Liabilities</b>		<u>720,015</u>	<u>1,084,498</u>	-34%
<b>Non-Current Liabilities</b>				
Long Term Debt		977,943	2,037,746	
Deferred Federal Income Tax Liability		947,405	540,794	
<b>Non-Current Liabilities</b>		<u>1,925,348</u>	<u>2,578,540</u>	
<b>Total Liabilities</b>		2,645,363	3,663,038	-28%
<b>Capital</b>				
Common Stock Issued	(1)	84,397	84,422	
Accumulated Other Comprehensive Income		1,359,282	684,164	
Retained Earnings		12,785,249	12,939,343	
<b>Total Capital</b>		<u>14,228,928</u>	<u>13,707,929</u>	4%
<b>TOTAL LIABILITIES &amp; CAPITAL</b>		<u>\$16,874,291</u>	<u>\$17,370,967</u>	-3%
<b>Capital Per Common Share</b>		\$22.05	\$21.24	

Notes:

(1) 645,315 no par value common shares are issued and outstanding on Mar. 31, 2010. 645,506 shares were outstanding on Mar. 31, 2009. 2,500,000 shares are authorized.

**KEWEENAW LAND ASSOCIATION, LIMITED**  
**Consolidated Statement of Income and Expense (Unaudited)**  
**March 31, 2010**

	1st Quarter		% Chg
	2010	2009	
<b>INCOME</b>			
<b>Timber Operations</b>			
Timber Sales	\$2,323,192	\$2,156,970	
Cost of Sales	1,862,049	1,759,063	
Gross Margin on Timber Sales	461,143	397,907	16%
Timber Operations Expenses			
Forestry Expenses	173,922	168,628	
Management and General Administration	294,423	302,849	
Total Operations Expenses	468,345	471,477	
Timber Operations Income	(7,202)	(73,570)	-90%
<b>Real Estate Development</b>			
Developed Lot Sales	0	0	
Development Costs	0	0	
Gross Margin on Developed Lot Sales	0	0	
<b>Total Operations Income</b>	(7,202)	(73,570)	-90%
<b>Other Income</b>			
Mineral Royalties	3,595	3,126	
Lease and Rental Income	24,026	36,923	
Investment Earnings	5,670	5,727	
Profit (Loss) on Security Sales	0	0	
Land Sales	5,000	24,389	
Other	1,570	44,092	
<b>Total Other Income</b>	39,861	114,257	-65%
<b>Other Expenses</b>			
Land Management Expenses	119,604	112,207	
Board of Directors Expenses	111,302	126,076	
<b>Total Other Expenses</b>	230,906	238,283	-3%
<b>Income Before Income Taxes</b>	(198,247)	(197,596)	0%
<b>Provision for State and Federal Income Taxes</b>	10,628	(17,302)	
<b>Net Income</b>	(208,875)	(180,294)	-16%
<b>Other Comprehensive Income, Net of Tax</b>			
Unrealized Gains (Losses) on Securities			
Unrealized Holding Gains Arising			
During the Period	148,711	(204,346)	
Less: Reclassification Adj. For Gains			
Included in Net Income	0	0	
<b>Other Comprehensive Income</b>	148,711	(204,346)	
<b>Comprehensive Income</b>	(60,164)	(384,640)	84%
<b>Per Share Net Income</b>	(\$0.32)	(\$0.28)	
<b>Per Share Comprehensive Income</b>	(\$0.09)	(\$0.60)	
<b>Dividends Per Share</b>	\$0.00	\$0.20	
<b>Based on Weighted Average Shares Outstanding</b>			