

KEWEENAW

LAND ASSOCIATION, LIMITED



First Quarter Report
 For the Period Ending March 31, 2012
 Issue Date April 13, 2012

Highlights

Net Income of \$0.16 Per Share

Timber Operations Gross Margin Increased 57% Over First Quarter 2011

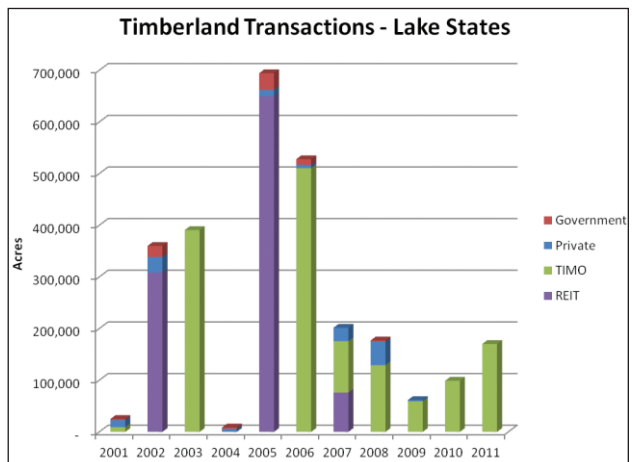
Keweenaw Land Association, Limited announces a First Quarter 2012 net income of \$0.16 per share compared to a net loss of \$0.05 for the same period in 2011. This is the first time since the housing market collapse that Keweenaw has realized a net operating income in the first quarter. Net income (loss) per share arose from the following sources:

	Earnings Per Share	
	1st Qtr 12	1st Qtr 11
Timber Operations Income	\$ 0.31	\$ 0.07
Capital Gains-Sale of Land	—	—
Capital Gains-Investments	—	—
Other Income	0.05	0.04
Other Expenses	(0.13)	(0.17)
Income Taxes	(0.07)	0.01
	<u>\$ 0.16</u>	<u>\$ (0.05)</u>

A more comprehensive review of the operating results will be shown later in this expanded quarterly letter.

Lake States Timberland Overview:

Markets for forest products and timberland continue to experience changes due to shifts in timberland ownership away from the vertically integrated forest products companies to institutional investors represented by Timber Investment Management Organizations (TIMO's) and Real Estate Investment



Trusts (REIT's). In the Lake States, over 2.7 million acres has changed ownership since 2000. Of this amount, over 1.4 million has been purchased by TIMO's while REIT's have acquired just over 1 million acres.

A key driver behind this shift is a recognition by patient investors of the benefits and advantages of owning timberland. Timberland remains a natural hedge against inflation as the forest continues to grow regardless of market conditions. Professional forest management improves product mix which adds significant value over time. There has also been real price appreciation for hardwood timber over the past decade, despite the recent economic downturn.

The Lake States remains an active region for timberland investments. Demand for traditional hardwood forest products is improving and emerging bio-energy markets for low grade wood products continue to expand. Non-timber related outputs are also becoming an increasingly larger component of value for timberland owners. Increasing interest by investors for what is essentially a finite resource should continue to have a positive influence on both forest products and timberland.

First Quarter 2012 Results:

Less than average snowfall and milder temperatures allowed for exceptional winter logging conditions. During the quarter, Keweenaw harvest included the following:

1 st Qtr Production Statistics	2012	%	2011	%
Total Harvest Volume (cd-eq)	26,166		27,020	
Sawtimber (mbf)	2,729	23.0	1,659	13.5
Pulpwood (cords)	20,161	77.0	23,370	86.5

While the winter production was less than last year, a more favorable harvest mix of sawtimber and prices resulted in an increase in timber operations income. Harvest volume included 22,360 cd-eq from company land, or 85% of total production. Keweenaw also produced 3,806 cd-eq from procured timber sales. Keweenaw was able to sell all of its winter production during the quarter at margins greater than the same period last year.

The company sold logs totaling \$2,895,168, compared to \$2,578,911 in 2011. Veneer and sawlog prices continue to be at lower levels than experienced in the past as we enter into the fourth year of a depressed housing market. Industry demand for pulpwood has steadily increased over the last year and a half. Pulpwood realization for the quarter was \$95 per cd-eq compared to \$87 in 2011, a 9% increase. Overall, the trend in per unit realization is favorable as identified in the table below.

1 st Qtr Sales Statistics (per unit)	2012	2011
Average Price Realization	\$110	\$95
Cost of Goods Sold	78	75
Gross Margin	32	20

Stating the obvious, the forest products industry has been severely impacted by the recession which began in the second half of 2008. However, after lower timber earnings in both 2009 and 2010, Keweenaw experienced a strong year in 2011. The trend continued into the first quarter of 2012 as Timber Operations Gross Margin improved by over \$300,000 as demonstrated in the table on the next page:

1 st Qtr Gross Margin	2012	%	2011	%
Log Sales	\$2,895,168	100.0	\$2,578,168	100.0
Expenses (COGS)	2,045,974	70.7	2,036,523	79.0
Timber Opns Gross Margin	849,194	29.3	542,388	21.0

While the company's marketing strategy is instrumental in maximizing its sales dollars, equal effort is taken to limit expense in the manufacturing and sales of our timber products. Combined logging and freight costs averaged \$3 per cd-eq more than in the prior year, primarily due to higher fuel cost. Road expense amounted to \$102,725, compared to \$120,782 in 2011, a 15% decrease. Economic factors beyond the company's control can play a role in increased costs. Rising fuel prices continue to be a concern as we approach the resumption of logging after the lifting of seasonal road restrictions.

The winter logging season ended March 6th when local authorities implemented weight restrictions on most roads in the region, preventing further trucking of logs to market until summer. While the housing market remains at historic lows, we remain optimistic and believe the company has turned the corner as reflected in positive earnings during the quarter.

Land:

On January 11, 2012, Keweenaw acquired 627 acres of land in Gogebic County as the successful bidder in an Internal Revenue Service foreclosure sale. The company received title to the property as the 180 day redemption period came to an end. The total acquisition price for the land was \$183,081 or approximately \$292 per acre.

Minerals:

Orvana Resources US Corp. (Orvana), a wholly-owned subsidiary of Orvana Minerals Corp. (TSX symbol: ORV) of Toronto, Ontario, continues to pursue the required mining permits from the Michigan Department of Environmental Quality (MDEQ). On March 21, 2012, Orvana released its Feasibility Study of the Copperwood Project. The full report along with other additional information can be found on Orvana's website, www.orvana.com.

Shareholder Relations & Administrative:

Keweenaw's common shares traded in a range from \$71.75 to \$82.99 per share during the first quarter with an ending price of \$74.99. 31,276 KLA shares were traded, approximately 2% of outstanding shares. This compares to 34,309 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 on Monday, May 21, 2012, in Ironwood, MI. Notices and voting information will be provided for shareholders of record at the end of business on Friday, March 23, 2012. We look forward to seeing you there.

To contact Keweenaw dial (906) 932-3410 or use our toll free line (877) 539-3362. You may also reach us by e-mail at investors@keweenaw.com. Keweenaw's quarterly letters and latest annual report are posted on the company's web page.

Sincerely,


David Ayer, Chairman

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Balance Sheet (Unaudited)
March 31, 2012

ASSETS

	Note	Mar. 31, 2012	Mar. 31, 2011	% Chg
Current Assets				
CASH & CASH EQUIVALENTS		\$1,005,392	\$742,521	35%
ACCOUNTS RECEIVABLE		112,489	185,448	
INVESTMENTS IN GOVERNMENT OBLIGATIONS		0	0	
OTHER CURRENT ASSETS		265,625	350,338	
TOTAL CURRENT ASSETS		1,383,507	1,278,307	8%
Investments in Marketable Securities		3,734,853	3,407,171	10%
Other Non-Current Assets		218,181	196,833	
Equipment		543,996	524,203	4%
Properties		11,667,920	11,629,333	0%
TOTAL ASSETS		\$17,548,457	\$17,035,847	3%

LIABILITIES & CAPITAL

	Note	Mar. 31, 2012	Mar. 31, 2011	% Chg
Current Liabilities				
ACCOUNTS & DEPOSITS PAYABLE		\$46,959	\$34,774	
COMMERCIAL LINES OF CREDIT & OTHER DEBT		100,191	567,702	
OTHER ACCRUED LIABILITIES		347,278	252,510	
TOTAL CURRENT LIABILITIES		494,428	854,986	-42%
Non-Current Liabilities				
LONG TERM DEBT		741,435	841,626	
DEFERRED FEDERAL INCOME TAX LIABILITY		866,153	855,414	
NON-CURRENT LIABILITIES		1,607,588	1,697,040	
Total Liabilities		2,102,016	2,552,026	-18%
Capital				
COMMON STOCK ISSUES	(1)	84,530	84,453	
ACCUMULATED OTHER COMPREHENSIVE INCOME		1,308,863	1,230,343	
RETAINED EARNINGS		14,053,048	13,169,025	
Total Capital		15,446,441	14,483,821	7%
TOTAL LIABILITIES & CAPITAL		\$17,548,457	\$17,035,847	3%
Capital Per Common Share		\$11.95	\$11.21	

Notes:

(1) 1,292,665 no par value common shares are issued and outstanding on Mar. 31, 2012. 1,291,490 shares were outstanding on Mar. 31, 2011. 10,000,000 shares are authorized.

KEWEENAW LAND ASSOCIATION, LIMITED
Consolidated Statement of Income and Expense (Unaudited)
March 31, 2012

Income	1st Quarter		
	2012	2011	% Chg
Timber Operations			
TIMBER SALES	\$2,895,168	\$2,578,911	
COST OF SALES	2,045,974	2,036,523	
GROSS MARGIN ON TIMBER SALES	849,194	542,388	57%
TIMBER OPERATIONS EXPENSES			
FORESTRY EXPENSES	172,334	179,702	
MANAGEMENT AND GENERAL ADMINISTRATION	273,661	271,420	
TOTAL OPERATIONS EXPENSES	445,995	451,122	
TIMBER OPERATIONS INCOME	403,199	91,266	342%
Real Estate Development			
DEVELOPED LOT SALES	0	0	
DEVELOPMENT COSTS	0	0	
GROSS MARGIN ON DEVELOPED LOT SALES	0	0	
TOTAL OPERATIONS INCOME	403,199	91,266	342%
Other Income			
MINERAL ROYALTIES	2,103	3,000	
LEASE AND RENTAL INCOME	52,989	35,767	
INVESTMENT EARNINGS	5,491	5,000	
PROFIT (LOSS) ON SECURITY SALES	0	0	
LAND SALES	0	0	
OTHER	1,098	5,543	
TOTAL OTHER INCOME	61,681	49,310	25%
Other Expenses			
LAND MANAGEMENT EXPENSES	88,346	123,354	
BOARD OF DIRECTORS EXPENSES	85,821	94,175	
TOTAL OTHER EXPENSES	174,167	217,529	-20%
INCOME BEFORE INCOME TAXES	290,713	(76,953)	478%
Provision for State and Federal Income Taxes	87,743	(6,073)	
NET INCOME	202,970	(70,880)	386%
Other Comprehensive Income, Net of Tax			
UNREALIZED GAINS (LOSSES) ON SECURITIES			
UNREALIZED HOLDING GAINS ARISING During the Period	213,801	(12,442)	
Less: Reclassification Adj. For Gains Included in Net Income	0	0	
OTHER COMPREHENSIVE INCOME	213,801	(12,442)	
COMPREHENSIVE INCOME	\$416,771	(\$83,332)	600%
Per Share Net Income	\$0.16	(\$0.05)	
Per Share Comprehensive Income	\$0.32	(\$0.06)	
Dividends Per Share	\$0.00	\$0.00	

Based on Weighted Average Shares Outstanding

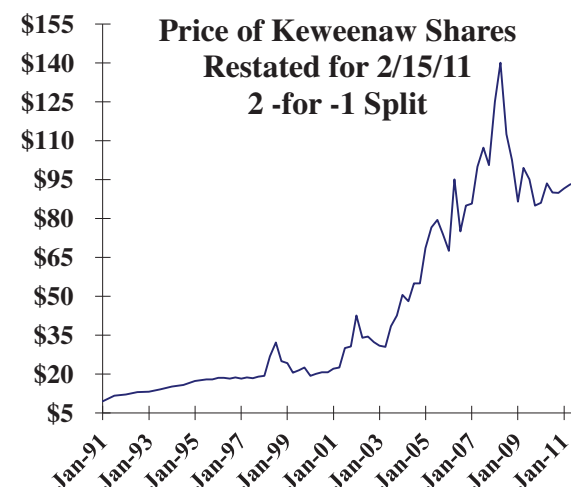
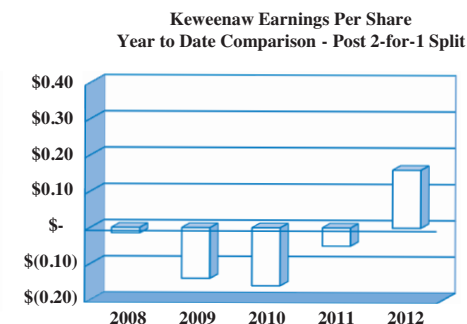
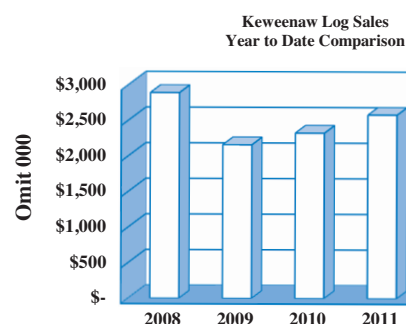
CONSOLIDATED FINANCIAL HIGHLIGHTS

For the Quarter	2012		2011	
	1st Qtr	YTD	1st Qtr	YTD
Receipts	\$2,957	\$2,957	\$2,628	\$2,628
Net Income (Loss)	203	203	(71)	(71)
Comprehensive Income	417	417	(83)	(83)
Capital Employed	16,288	16,288	15,893	15,893

*Dollar amounts in thousands

Per Common Share	2012		2011	
	1st Qtr	YTD	1st Qtr	YTD
Net Income	\$0.16	\$0.16	(\$0.05)	(\$0.05)
Comprehensive Income	0.32	0.32	(0.06)	(0.06)
Dividends Paid	0.00	0.00	0.00	0.00

Statistics	2012		2011	
	1st Qtr	YTD	1st Qtr	YTD
Return on Capital Emp.	5.0%	5.0%	-1.8%	-1.8%
Dividend Payout Ratio	0.0%	0.0%	0.0%	0.0%
Avg Shares Outstanding	1,292,665	1,292,665	1,291,290	1,291,290
Curr Shares Outstanding	1,292,665	1,292,665	1,291,490	1,291,490



SHAREHOLDER INFORMATION

First Quarter 2012 Highlights:

High: \$82.99, Low: \$71.75, Last: \$74.99

Source: Real Tick-Townsend Analytics, Ltd.

Dividend Information:

The Board of Directors 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

Web Page: 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.