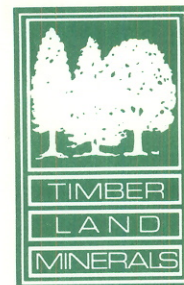


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## KEWEENAW LAND ASSOCIATION, LIMITED

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

June 12, 2006

Dear Shareholders:

As most of you were unable to attend the 98<sup>th</sup> KLA Annual Meeting of Shareholders June 5, 2006, here is a brief report of my comments at the meeting.

At the Board meeting the morning of June 5<sup>th</sup>, we declared a dividend of 20¢ per share for the Second Quarter 2006, payable September 15<sup>th</sup> with a record date of August 15<sup>th</sup>.

As all of the financial data is available in our annual report, I'll mention only a couple of highlights: operations income increased from \$1,206,094 in 2004 to \$2,100,983 in 2005 while net income increased from \$923,879 to \$1,430,208 in the same period.

As you are all aware, there has been a great deal of interest in timberland investments over the last year or two and a lot of timberland ownership has changed hands. Not surprisingly, there has been some interest in KLA as well. I would note that any interest in KLA is unsolicited, as our strategic plan is to manage your assets for growth and reasonable current return over time. Keweenaw, as you know, is a unique investment; it is a company with hard assets that does not trade on earnings as such but rather appears to trade based on the appreciating value of our land and standing timber.

The most recent expression of a possible proposal to acquire KLA came from Phillip Goldstein of Opportunity Partners in an email to the company in April. Even though it is not in KLA's strategic plan to sell the company, the Board always acts with the best interests of the shareholders in mind. As such, it met several times with outside advisors to consider this highly conditional proposal. The proposal was conditional on securing finance and subject to due diligence, as well as entering into an exclusive confidentiality agreement. We answered this proposal and wrote a letter to our shareholders explaining our decision that it was not in their best interest to pursue discussions with Opportunity Partners. This letter is available on our website [www.keweenaw.com](http://www.keweenaw.com).

Here are a couple of thoughts about why and how we manage KLA for long-term growth for the benefit of our shareholders:

It is our stated objective to manage all of your assets for long-term growth and capital appreciation while attempting to produce acceptable levels of current return. Over the last several years, operating income has increased, the value of the lands and standing timber (by third party independent appraisal) has increased, the stock price has increased, liquidity in trading has increased, productive timberland has been consolidated and upgraded, and we continue to add to our productive acreage where possible. All this has been accomplished while keeping overhead costs under control, staffing at a reasonable level, continuing our policy of sustainable timber management, and enhancing the ethical and straightforward treatment of our shareholders, customers, and employees.

I believe we are managing a company that you can feel proud to own, as well as one that has enjoyed financial success. We continue to do our job of creating value for you.

Looking forward, we see a financially secure company with the ability to grow in size and value.

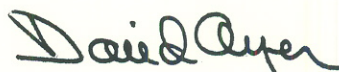
We will continue to add to the forestry base, continue to market our non-productive (in a timber sense) lands via our real estate program, continue to consolidate and upgrade timber holdings, continue to manage overhead, continue to make our mineral holdings available to qualified exploration companies, and continue to consider any ideas which would add value to the company and benefit its shareholders.

A closing thought...timber is one of the best sustainable resources when well managed. If we, and our successors, continue to manage KLA the same way we do now, in 10-20 years we will have the same amount of standing timber (probably of better quality) with appreciation in the value of the timber and the underlying land, and we will have received current income along the way. There are not many companies you can say that about.

I would like to thank our shareholders for their confidence and support, the Board for establishing strategy and oversight, the management for carrying it out, and our employees for their hard work and dedication.

Sincerely,

KEWEENAW LAND ASSOCIATION,  
LIMITED



David Ayer, Chairman and President

DA/pja