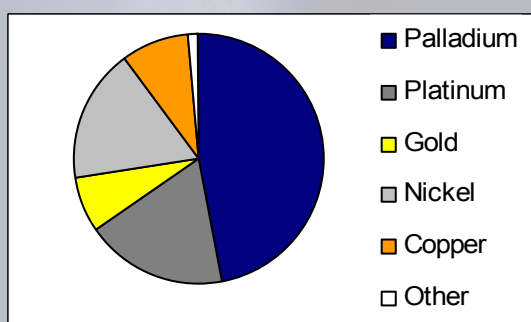




North American Palladium Ltd. is Canada's only primary producer of platinum group metals. Its Lac des Iles deposit in north western Ontario is among the largest open-pit/underground palladium operations in the world. **NAP's** core palladium business is strengthened by a significant contribution from platinum, gold, nickel and copper by-product metals. In April 2006, the underground mine at Lac des Iles began full commercial production. Further expansion at LDI is being advanced at the Offset High Grade Zone. In tandem with its growth strategy, **NAP** believes that its the Arctic Platinum Project (APP) in Finland (Joint Venture with Gold Fields Limited) potentially represents one of the largest undeveloped PGM resources in the world while providing a natural fit for its expertise. A Joint Venture with Inco on the Shebandowan Ni/Cu Project south west of LDI also presents exciting potential synergies.

FY 2005 Revenues



Investment Drivers:

- Canada's only primary producer of palladium
- Focused management with proven expertise in mine development and operation
- Aggressive headframe and grassroots exploration programs in Canada and Finland with major joint venture partners
- Positive outlook for palladium demand - increasing usage in catalytic converters for global environmental solutions; fuel cell technology for alternative energy sources; increasing popularity of Pd jewellery

Q3 2006 Financial Highlights

- Revenues increased for the third consecutive quarter, more than doubling to \$41.4 million compared to \$17.2 million in the third quarter last year. Nine month revenues increased 62% to \$108.4 million from \$67.0 million for the same period in 2005.
- By-product metals revenue increased during the quarter to \$21.7 million from \$9.8 million last year, reflecting higher overall production and metal prices for nickel and copper.
- Operating cash flow (before changes in non-cash working capital) during the quarter was \$2.8 million compared to negative \$17.1 million in the third quarter of 2005.
- Cash cost per unit of palladium produced, net of by-product metal, approached a two-year low of US\$215 per oz in the third quarter compared to US\$493 per oz in the same quarter last year

Q3 2006 Production Highlights

- Palladium production in Q3 2006 increased 51% to 59,756 oz at an avg grade of 2.20 g/t vs. the comparable quarter last year of 39,532 oz at an avg grade of 1.47 g/t
- By-product metal production included: 5,612 oz platinum (up 23%); 4,313 oz gold (up 26%); 621,287 lbs nickel (up 55%); and 1,261,765 lbs copper (-10%)

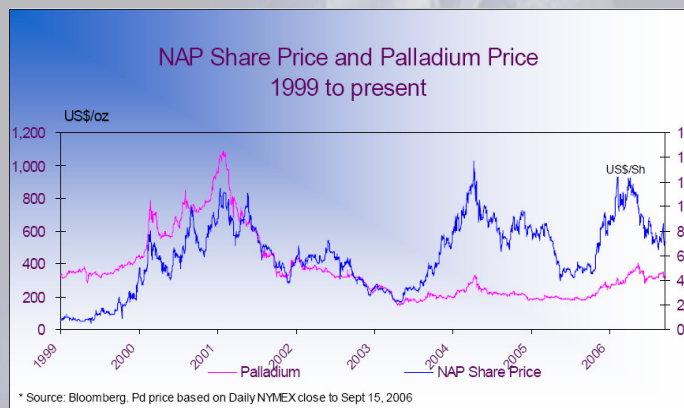
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NAP Share to Palladium Price



Growth Strategy

- Optimize production at Lac des Iles; extend mine life through expansion of the Offset HG Zone
- Continue aggressive exploration programs in Canada and Finland
- Leverage exploration expertise in pursuit of top-tier properties
- Further strengthen financial position

