



North American **Palladium** Ltd.

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

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North American Palladium Ltd. Announces Operating Performance for Second Quarter 2002

North American Palladium Ltd. is pleased to announce continued improvement in its operating performance for the second quarter of 2002. Mill throughput and palladium recovery increased in the second quarter of 2002, as a result of modifications to the Semi-Autogenous Grinding (SAG) mill and to the grinding and flotation circuits. During the second quarter of 2002, the mill processed 1,270,284 tonnes of ore or 13,959 tonnes per day with a palladium head grade of 2.00 grams per tonne, producing 62,168 ounces of palladium at a recovery rate of 76.0%. Other metal production during the second quarter of 2002 included 5,211 ounces of platinum, 4,244 ounces of gold, 1,387,822 pounds of copper and 737,683 pounds of nickel. This compares to the first quarter of 2002 when the mill processed 1,205,150 tonnes of ore or 13,391 tonnes per day with a palladium grade of 1.91 grams per tonne, producing 53,922 ounces of palladium at a recovery rate of 73.0%. Palladium production in the second quarter of 2002 improved by 15.3% compared to the first quarter of 2002.

The increased mill throughput and palladium recovery in the second quarter of 2002 resulted from a number of initiatives introduced by the Company in the first quarter of 2002. The contract crushing which is supplying fine ore has increased the efficiency of the SAG mill. In addition, the installation of the new liners in the SAG mill in the first quarter of 2002 combined with higher operating efficiencies and increased mill availability contributed to improved mill throughput. Modifications to the flotation circuit and improved operator training introduced in the first quarter of 2002 also contributed to the operating improvements for the second quarter. The following table outlines the operating improvements since the third quarter of 2001:

	Q3, 2001	Q4, 2001	Q1, 2002	Q2, 2002
Mill Throughput (Tonnes per day)	9,897	12,463	13,391	13,959
Palladium Recovery (%)	62.9%	70.4%	73.0%	76.0%
Palladium Production (ounces)	36,891	51,475	53,922	62,168

In the second quarter of 2002 Lakefield Research Ltd., a consultant under contract to the Company, commissioned a pilot plant at the Lac des Iles mill to identify process circuits within the mill for further improvement. The pilot plant testing has been completed and the results are currently being analyzed. In the third quarter of 2002, the Company will identify a preferred operating plan for the mill, and expects to begin the implementation of long-term solutions to further improve palladium production.

"Our management team and employees have been working diligently to improve the performance of the Lac des Iles mine in 2002. We are very pleased with the progress which has been made to both mill throughput and palladium recovery during the second quarter of 2002. The initial results of the pilot plant work are encouraging and we intend to implement additional operating improvements in 2002 to further enhance shareholder value."

--Keith Minty, President and Chief Executive Officer,
North American Palladium Ltd.

North American Palladium's Lac des Iles Mine is Canada's only primary producer of platinum group metals and is one of the largest open pit bulk mineable palladium reserves in the world. **Palladium** use in the auto industry continues to be an important component in controlling exhaust emissions as mandated by more stringent hydrocarbon emissions standards for cars, particularly in the United States, Europe and Japan.

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Forward-Looking Statements - Some statements contained in this release are forward-looking and, therefore, involve uncertainties or risks that could cause actual results to differ materially. Such forward-looking statements include comments regarding milling operations, mineral reserve and resource statements and exploration program performance. Factors that could cause actual results to differ materially include metal price volatility, economic and political events affecting metal supply and demand, fluctuations in ore grade, ore tons milled, geological, technical, mining or processing problems, exploration programs and future results

of exploration programs at the Lac des Iles Mine, future profitability and production. The Company disclaims any obligation to update forward-looking statements.