



North American **Palladium** Ltd.

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News Release

Website: www.napalladium.com

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FOR IMMEDIATE RELEASE

Trading Symbol TSX - PDL
AMEX - PAL

North American Palladium Ltd. Announces a Temporary Shutdown of Primary Crusher

The Company today announced that it will commence an unscheduled temporary shutdown of the primary crusher at its Lac des Iles mine. The Company has recently encountered operating disruptions with the primary crusher which reduces the size of run-of-mine ore in preparation for milling. In an effort to isolate and rectify the difficulties the primary crusher will be shut down and the main shaft will be lifted to examine the lower drive unit. Representatives from the equipment manufacturers and other consultants are currently at the mine site assisting the Company with its efforts to eliminate the disruptions to the primary crusher operations.

The mill will continue to operate at full capacity until Thursday, September 12, 2002. Thereafter, existing ore stockpiles will be utilized to operate the mill at a significantly reduced throughput until the primary crusher resumes normal operations. During this period, mining and non-essential activities will be temporarily suspended to reduce operating costs. The Company is focused on expeditiously returning the primary crusher to a safe, reliable and efficient operating status.

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.