



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 Update on Primary Crusher

The Company today announced that an examination of the primary crusher has revealed that the bottom shell contains two vertical fractures. The fractures require repair which the Company will commence immediately. The Company expects the maintenance to be completed within a period of 6-8 weeks.

The mill will continue to operate while the primary crusher is inactive. The Company will feed the mill by reactivating the old primary crusher and operating the existing portable contract crushing supplemented with additional crushing equipment. Ore with an average grade of 1.5 grams per tonne will be processed from the existing broken ore stockpiles. During the period of the primary crusher shutdown the Company expects the mill to operate at a throughput rate of 12,000-14,000 tonnes per day. This compares with 13,959 tonnes per day in the second quarter of 2002.

The Company has property and business interruption insurance and expects to pursue a claim under the terms of the insurance coverage.

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.