



North American **Palladium** Ltd.

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## News Release

Website: [www.napalladium.com](http://www.napalladium.com)

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FOR IMMEDIATE RELEASE

Trading Symbol: TSX - PDL  
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### **North American Palladium Ltd. Announces Operating Performance for Third Quarter 2002**

During the third quarter of 2002, the mill processed 1,210,799 tonnes of ore or 13,161 tonnes per day with a palladium head grade of 1.83 grams per tonne, producing 51,168 ounces of palladium at a recovery rate of 71.9%. Other metal production during the third quarter of 2002 included 4,753 ounces of platinum, 4,137 ounces of gold, 1,445,416 pounds of copper and 656,240 pounds of nickel. This compares to the second quarter of 2002 when the mill processed 1,270,284 tonnes of ore or 13,959 tonnes per day with a palladium grade of 2.00 grams per tonne, producing 62,168 ounces of palladium at a recovery rate of 76.0%.

The most significant cause of the decrease in palladium production in the quarter was the temporary shutdown of the primary crusher at the Lac des Iles mine in early September 2002. The shutdown impacted both mill feed grade and mill throughput. The existing ore stockpile was initially utilized as a source of mill feed which contains a lower palladium grade than the current run-of-mine ore. In addition, the secondary crusher which typically provides finer crushed ore was utilized to provide a coarse mill feed which resulted in reduced mill throughput for September.

Prior to the shutdown, the mill had been achieving targeted mill throughput as demonstrated in the month of August when mill throughput averaged over 15,000 tonnes per day. Since early October mining operations have resumed, additional crushing capacity is in place and mill throughput has recovered to approximately 14,000 tonnes per day. Repairs to the primary crusher are underway and are expected to be completed by mid November 2002.

Michael Amsden, Chairman and Chief Executive Officer, North American Palladium stated, "Despite the unscheduled shutdown of the primary crusher, the Company has demonstrated that the mill can operate at its design throughput of 15,000 tonnes per day. In addition, the recently completed pilot plant test program has confirmed that higher palladium recoveries are possible with a finer grind of the ore. Beginning in November 2002, we will undertake a large scale in-

plant test on finer grinding utilizing the existing tower mills to confirm the palladium recovery improvements achieved in the pilot plant program. Our intent is to build on the operating improvements made to date and take the necessary steps to increase palladium recoveries and consequently palladium production.”

The following table outlines the operating history since the fourth quarter of 2001:

	<b>Q4, 2001</b>	<b>Q1, 2002</b>	<b>Q2, 2002</b>	<b>Q3, 2002</b>
<b>Mill Throughput (Tonnes per day)</b>	12,463	13,391	13,959	13,161
<b>Palladium Recovery (%)</b>	70.4%	73.0%	76.0%	71.9%
<b>Palladium Production (ounces)</b>	51,475	53,922	62,168	51,168

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**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.