North American **Palladium** Ltd.

130 Adelaide St. West
Suite 2116
Toronto, ON
M5H 3P5

NEWS RELEASE

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FOR IMMEDIATE RELEASE

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North American Palladium Ltd. Announces 2002 RESULTS

North American Palladium Ltd. announces financial results for the year ended December 31, 2002.

Financial Results

For the year ended December 31, 2002 the Company reported net income of $15,135,000 or $0.30 per share (diluted) on revenues of $176,773,000 compared to net income of $7,510,000 or $0.15 per share (diluted) on revenues of $121,496,000 for the year ended December 31, 2001. The revenue increase was due to a 78% increase in palladium production, offset by the sharp drop in the average palladium price. During 2002, the spot price for palladium averaged US$338 per ounce compared to US$604 during 2001. The effect of palladium forward contracts resulted in $46,033,000 of additional revenue in 2002 representing the difference between the fixed price under the palladium forward contracts and the palladium price at the time of revenue recognition. The mark to market price adjustment relating to palladium settled and awaiting settlement was a negative $9,243,000 in 2002 due to the weakening palladium price through the year.

Income from mining operations improved to $34,329,000 in 2002 compared to $23,373,000 in 2001.

The Company reported a net loss for the three months ended December 31, 2002 of $1,526,000 or $0.03 per share (diluted) on revenues of $43,904,000 compared to a net income of $5,159,000 or $0.10 per share (diluted) on revenues of $56,890,000 for the three months ended December 31, 2001. The results for the fourth quarter 2002 were negatively impacted by the primary crusher failure, which resulted in higher operating costs and reduced metal production. The results for the fourth quarter also include a future mining tax provision of $4,500,000. The results for the fourth quarter 2001 include a write-down of $4,636,000 pertaining to old plant and equipment which was removed from service with the commissioning of the new 15,000 tonne per day concentrator in June 2001.

Cash costs to produce palladium (production costs including overhead and smelter treatment, refining and freight costs), net of other metal revenues and royalties, decreased to US$264 per ounce in 2002 compared to US$340 per ounce in 2001. Steady reduction in unit cash costs was achieved in the first half of 2002, with cash costs of US$230 per ounce. However, with the requirement for contract crushing and increased ore rehandling, as a result of the primary crusher failure in September 2002, cash costs increased to US$301 per ounce in the second half of 2002. The Company has purchased a new crusher, which is expected to be in operation by mid-year 2003. In the interim period until the new crusher is operational, the Company will utilize the existing crusher combined with contract crushing as required to provide mill feed. With the resumption of normal crusher operations it is anticipated that further improvements will be made in daily throughput and palladium recovery.

Cash provided by operations (prior to changes in non-cash working capital) was $9,124,000 for the fourth quarter of 2002 and $47,472,000 for the year ended December 31, 2002. This compares with cash provided by operations (prior to changes in non-cash working capital) of $17,795,000 for the fourth quarter 2001 and $34,353,000 for the year ended December 31, 2001. The improvement in cash provided by operations in 2002 resulted in cash and cash equivalents of $11,536,000 at December 31, 2002 and a reduction in the Company's net debt position by $22.9 million during the year.

	Fourth Quarter December 31,		**Year Ended** December 31,	
	(thousands of Canadian Dollars, except per share amounts)			
	2002	2001	**2002**	2001
Revenue from Metal Sales	**43,904**	56,890	**176,773**	121,496
Income from Operations	**4,569**	9,910	**34,329**	23,373
Net Income (loss)	**(1,526)**	5,159	**15,135**	7,510
Operating Cash Flow*	**9,124**	17,795	**47,472**	34,353
Net Income (loss) per Share - Diluted	**(0.03)**	0.10	**0.30**	0.15

*Prior to changes in non-cash working capital

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.

For further information contact:
Michael P. Amsden – Chairman & Acting CEO
Tel: (416) 360-2653 Fax: (416) 360-7709
or
George D. Faught - Vice President Finance & CFO
Tel: (416)360-2650 Fax: (416) 360-7709

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 mining and 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.

North American Palladium Ltd.
Consolidated Balance Sheets
(Canadian funds in thousands of dollars)

	December 31	
	2002	2001
Assets		
Current Assets		
Cash and cash equivalents	$ 11,536	$ 1,775
Short-term investments	5,127	4,999
Concentrate awaiting settlement, net – Note 3	85,312	82,534
Inventories	7,414	4,326
Crushed and broken ore stockpiles – Note 4	9,157	11,666
Future tax asset	4,868	10,830
Accounts receivable and other assets	1,683	2,626
	125,097	118,756
Mining interests, net	260,985	272,831
Mine closure deposit – Note 5	3,470	2,232
Deferred financing costs	2,080	2,870
Crushed and broken ore stockpiles – Note 4	7,983	7,277
Future tax asset	11,218	13,800
	$ 410,833	$ 417,766
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 14,813	$ 17,255
Taxes payable	1,940	3,539
Current portion of obligations under capital lease	1,127	1,003
Current portion of project term loan	51,083	33,620
	68,963	55,417
Provision for mine closure costs	1,554	1,020
Obligations under capital leases	1,024	1,053
Project term loan	51,083	103,100
Kaiser-Francis credit facility	18,163	7,964
Future tax liability	9,600	5,100
	150,387	173,654
Shareholders' Equity		
Capital stock – Note 8	311,983	310,784
Deficit	(51,537)	(66,672)
Total shareholders' equity	260,446	244,112
	$ 410,833	$ 417,766

North American Palladium Ltd.
Consolidated Statements of Operations and Deficit
(Canadian funds in thousands of dollars, except share and per share amounts)

	Year ended December 31		
	2002	2001	2000
Revenue from metal sales – Note 9	$ 176,773	$ 121,496	$ 109,495
Deduct: smelter treatment, refining and freight costs	(16,909)	(11,140)	(7,571)
Net revenue from mining operations	159,864	110,356	101,924
Operating Expenses			
Production costs including overhead	100,599	66,405	22,512
Amortization	20,190	11,515	8,147
Write-down of mining interests)	--	4,636	4,965
Administrative expenses	4,212	4,112	2,589
Provision for mine closure costs	534	315	125
Total operating expenses	125,535	86,983	38,338
Income from mining operations	34,329	23,373	63,586
Other income (expenses)			
Interest income	663	1,560	1,078
Loss on disposal of capital assets	(99)	(14)	(304)
Interest	(433)	(226)	(1,147)
Interest on long-term debt	(5,405)	(3,406)	(9,167)
Exploration expense	(850)	(927)	--
Foreign exchange gain (loss)	792	(6,765)	(6,417)
Total other income (expenses)	(5,332)	(9,778)	(15,957)
Income before income taxes	28,997	13,595	47,629
Provision for (recovery of) income taxes	13,862	6,085	(13,914)
Net income for the year	15,135	7,510	61,543
Deficit, beginning of year	(66,672)	(68,815)	(130,358)
Adjustment for change in accounting policy	--	(5,367)	--
Deficit, end of year	$ (51,537)	$ (66,672)	$ (68,815)
Net income per share	$ 0.30	$ 0.15	$ 2.80
Diluted net income per share	$ 0.30	$ 0.15	$ 2.00
Weighted average number of shares outstanding – basic	50,544,634	50,375,690	20,425,466
Weighted average number of shares outstanding – diluted	50,593,508	50,543,134	30,761,072

North American Palladium Ltd.
Consolidated Statements of Cash Flows
(Canadian funds in thousands of dollars)

	Year ended December 31		
	2002	2001	2000
Cash provided by (used in)			
Operations			
Net income for the year	$ 15,135	$ 7,510	$ 61,543
Operating items not involving cash			
Future income tax expense (recovery)	13,046	4,428	(15,015)
Amortization of mining interests	20,190	11,515	8,147
Accrued interest on mine closure deposit	(38)	(102)	--
Write-down of mining interests	--	4,636	4,965
Foreign exchange loss (gain)	(1,494)	6,037	5,401
Foreign exchange loss on interest payable	--	--	331
Loss on disposal of capital assets	99	14	304
Provision for mine closure costs	534	315	118
	47,472	34,353	65,794
Changes in non-cash working capital	(5,369)	(31,410)	(25,999)
	42,103	2,943	39,795
Financing Activities			
Mine closure deposit	(1,200)	(1,100)	(600)
Advances on palladium settlements	--	--	(15,946)
Obligations under capital leases	(1,419)	(1,043)	(868)
Deferred financing costs	--	(276)	(2,989)
Notes payable – Kaiser-Francis Oil Company	10,372	7,819	(125,462)
Increase in project term loan	--	78,513	59,039
Repayment of project term loan	(33,233)	(6,724)	--
Issuance of common shares	1,199	1,950	222,538
	(24,281)	79,139	135,712
Investing Activities			
Short-term investments	(128)	35,453	(40,452)
Additions to plant and equipment	(5,579)	(116,704)	(120,398)
Mining claims, exploration and development costs	(2,867)	(3,590)	(10,539)
Proceeds on disposal of plant and equipment	513	31	228
	(8,061)	(84,810)	(171,161)
Increase (decrease) in cash and cash equivalents	9,761	(2,728)	4,346
Cash and cash equivalents, beginning of year	1,775	4,503	157
Cash and cash equivalents, end of year	$ 11,536	$ 1,775	$ 4,503

Notes to the December 31, 2002 Consolidated Financial Statements
(in thousands of Canadian dollars except per share and per ounce amounts)

1) Basis of Presentation
These unaudited consolidated financial statements have been prepared using disclosure standards appropriate for interim financial statements and do not contain all the explanatory notes, descriptions of accounting policies or other disclosures required by Canadian generally accepted accounting principles for annual financial statements. Such notes, descriptions of accounting policies and other disclosures will be included in the Company's annual report to shareholders for the year ended December 31, 2002. Accordingly, these consolidated financial statements should be read in conjunction with the audited fiscal financial statements.

2) Stock-Based Compensation
Effective January 1, 2002, the Company adopted the recommendations issued by The Canadian Institute of Chartered Accountants ("CICA") dealing with stock-based compensation. The new recommendations are generally applicable only to awards granted after the date of adoption. The adoption of the new recommendations did not impact these financial statements.

The Company has elected not to recognize compensation expense when stock options are issued to employees; however, pro forma disclosure of the net income and earnings per share is provided as if these awards were accounted for using the fair value based method. Accordingly, the fair value of the 148,000 options granted in 2002 has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4%, expected dividend yield of nil, expected volatility of 60%, and expected option life of 3 years. For purposes of pro forma disclosure, the estimated fair value of the options is expensed over the option's vesting period, which is 3 years.

The table below presents pro forma net earnings and basic and diluted net income per common share as if the options granted to employees had been determined based on the fair value method. The table includes all stock options granted by the Company subsequent to the date of adoption of the recommendations issued by the CICA.

	Year ended December 31, 2002
Net income as reported	$ 15,135
Stock-based compensation expense	160
Pro forma net income	14,975
Pro forma basic and diluted income per share	$ 0.30

The Black-Scholes option-pricing model was developed for use in estimating the fair value of freely tradable, fully transferable options without vesting restrictions. As the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the four highly subjective input assumptions can affect the calculated values, management believes that these models do not necessarily provide a reliable single measure of the fair value of the Company's stock option awards.

3) Concentrate Awaiting Settlement
The gross value of concentrate awaiting settlement represents the value of all platinum group metals and base metals from production shipped to the smelters between July and December 2002, including 93,619 ounces of palladium. At December 31, 2001 concentrate awaiting settlement included 78,445 ounces of palladium. Concentrate awaiting settlement was entirely from two domestic customers at December 31, 2002. Revaluations of the net realizable value of concentrate awaiting settlement are included in revenue at each reporting period and are adjusted for the effects of hedging instruments, sales contracts and foreign exchange.

4) Crushed and broken ore stockpiles

Crushed and broken ore stockpiles are valued at the lower of average production cost and net realizable value. The amount of stockpiled ore that is not expected to be processed by December 31, 2003 is shown as a long-term asset.

5) Mine Closure Plan
As part of the expansion project, the Company has established a revised mine closure plan with the Ontario Ministry of Northern Development and Mines (the "Ministry"), which requires a total amount of $7,800 to be accumulated in a Trust Fund controlled by the Ministry. At December 31, 2002, the Company had $3,470 on deposit with the Ministry and has agreed to make monthly deposits of $100.

6) Palladium Sales Contract
The Company entered into a Palladium Sales Contract with a major automobile manufacturer which provides for a floor price of US$325 per ounce on 100% of palladium production and a cap of US$550 per ounce on 50% of palladium production until June 30, 2005.

7) Palladium and Platinum Forward Sales Contracts
To augment the palladium sales contract, the Company had forward sales contracts at December 31, 2002 for 50,400 ounces of palladium at US$899 per ounce as a hedge against a portion of its 2003 production. In addition, the Company had forward sales contracts for 4,496 ounces platinum at US$523 per ounce as a hedge against a portion of its 2003 production.

8) Capital Stock
As at December 31, 2002, the Company had 50,647,955 common shares issued and outstanding (December 31, 2001 – 50,447,630). At December 31, 2002, the Company had 1,066,939 stock options outstanding at a weighted average exercise price of $11.04, expiring at various dates from March 3, 2005 to June 6, 2010.

9) Revenue from Metal Sales

	2002	2001	2000
Palladium	$ 101,317	$ 80,925	$ 78,604
Palladium forward contracts	46,033	27,825	--
Adjustments for mark to market	(9,243)	(5,831)	17,194
Other metals	38,666	18,577	13,697
	$ 176,773	$ 121,496	$ 109,495

The effect of palladium forward contracts represents the difference between the fixed price realized under the palladium forward contracts and the palladium price at the time of revenue recognition.