



North American **Palladium** Ltd.

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<b>NEWS RELEASE</b>
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FOR IMMEDIATE RELEASE

Trading Symbol: TSX - PDL  
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## **North American Palladium Ltd. Announces Operating Performance for First Quarter 2003**

During the first quarter of 2003, the mill processed 1,196,259 tonnes of ore or 13,292 tonnes per day with a palladium head grade of 1.99 grams per tonne, producing 58,791 ounces of palladium at a recovery rate of 76.9%. Other metal production during the first quarter of 2003 included 5,285 ounces of platinum, 4,564 ounces of gold, 1,396,155 pounds of copper and 772,545 pounds of nickel. This compares to the fourth quarter of 2002 when the mill processed 1,165,388 tonnes of ore or 12,667 tonnes per day with a palladium grade of 1.88 grams per tonne, producing 52,067 ounces of palladium at a recovery rate of 74.0%.

First quarter 2003 palladium production was 12.9% higher than the fourth quarter 2002, the result of improvements in mill throughput, head grade and palladium recovery. Mill throughput of 13,292 tonnes per day was achieved despite continuing problems with the primary crusher. The repaired crusher has proven unreliable since December 2002, and the Company has purchased a new primary crusher, which it expects to have operational by mid-2003. With the resumption of normal crushing operations it is anticipated further improvements will be made to daily mill throughput and palladium production.

Improved plant performance in the first quarter 2003 has resulted from a number of initiatives relating to the grinding and metallurgical processes. Ore blending procedures have been modified to provide a more consistent mill feed resulting in greater stability in the mill circuit. The operating and maintenance teams' performance has improved through experience and continuing training. Other improvements include better water control to the SAG mill, installation of a feed splitter to the ball mills to permit better distribution of feed gradient, and the installation of belt magnets to remove tramp iron resulting in better pebble crusher performance.

These improvements combined with the Company's Palladium Sales Contract and palladium forward sales position should help the Company maintain a strong financial position. Despite the current weak spot palladium price, the Company will receive not less than US\$440 per ounce for its expected palladium sales in 2003 as a result of the sales contract and hedging program.

The following table outlines the operating history since the first quarter of 2002:

	<b>Q1, 2002</b>	<b>Q2, 2002</b>	<b>Q3, 2002</b>	<b>Q4, 2002</b>	<b>Q1, 2003</b>
<b>Mill Throughput (Tonnes per day)</b>	13,391	13,959	13,161	12,667	13,292
<b>Palladium Recovery (%)</b>	73.0%	76.0%	71.9%	74.0%	76.9%
<b>Palladium Production (ounces)</b>	53,922	62,168	51,168	52,067	58,791

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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 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.