



North American **Palladium** Ltd.

News Release

FOR IMMEDIATE RELEASE

June 28, 2004

Symbols: TSX: PDL
AMEX: PAL

North American Palladium Restructures its Credit Facilities

Toronto, Ontario — North American Palladium Ltd. (“NAP”) is pleased to announce that it has negotiated a new US\$20 million and C\$10 million senior credit facility with a leading equipment finance company. The credit facility will be used to repay the Company’s existing bank loan totaling approximately US\$19 million that was due for repayment March 31, 2005. The new facility will permit the Company to utilize free cash flow to finance the Lac des Iles underground mine and secondary crusher projects. The new credit facility is a five-year amortizing loan with an interest margin of 2-1/2% over Libor or Bankers Acceptances. The credit facility allows for full repayment of outstanding loans any time during the term of the facility. The Company has also extended the term of its US\$20 million subordinated loan from its affiliate, Kaiser Francis Oil Company, to June 30, 2006 of which US\$11.5 million is outstanding under this loan facility. As a result, the Company’s outstanding debt remains at C\$42 million with about C\$12 million in cash on hand.

North American Palladium reports that it has completed the first phase of construction of the underground mine access portal and decline ramp at the Lac des Iles mine. In addition, the Company has completed site preparation and has begun foundation work for a new secondary crusher designed to improve mill throughput. North American Palladium expects to have the secondary crusher operational in the fourth quarter after which its milling costs will be reduced by about \$2.00 per tonne.

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Forward-Looking Statements – Certain statements included in this news release are forward-looking statements which are made pursuant to the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. They include estimates and statements that describe the Company’s future plans, objectives and goals, including words to the effect that the Company or management expects a stated condition or result to occur. When used herein, words such as “estimate”, “expect”, “intend”, and other similar expressions are intended to identify forward-looking statements. In particular statements relating to estimated mineral reserves, cash flows, capital costs, ore production, mine life, financing and construction are forward-looking statements. Such forward-looking statements involve inherent risks and uncertainties and are subject to factors, many of which are beyond our control, that may cause actual results or performance to differ materially from those currently anticipated in such statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include among others metal price volatility, economic and political events affecting metal supply and demand, fluctuations in ore grade, ore tonne milled, geological, technical, mining or processing problems, future profitability and production, and availability of financing on acceptable terms. For a more comprehensive review of risk factors, please refer to the Company’s most recent Annual Report under “Management’s Discussion and Analysis of Financial Results” and Annual Information Form under “Risk Factors” on file with the U.S. Securities and Exchange Commission and Canada provincial securities regulatory authorities. The Company disclaims any obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise. Readers are cautioned not to put undue reliance on these forward-looking statements.