



North American **Palladium** Ltd.

News Release

FOR IMMEDIATE RELEASE

July 8, 2004

Trading Symbol: TSX - PDL
AMEX - PAL

North American Palladium Ltd. Announces Operating Performance for Second Quarter 2004

During the second quarter of 2004, the mill processed 1,445,445 tonnes of ore or an average of 15,884 tonnes per day with a palladium head grade of 2.22 grams per tonne, producing 75,970 ounces of palladium at a recovery rate of 73.5%. By-product metals production during the second quarter of 2004 included 6,319 ounces of platinum, 6,249 ounces of gold, 1,060,318 pounds of nickel and 2,103,948 pounds of copper. This compares to the first quarter of 2004 when the mill processed 1,348,779 tonnes of ore, or an average of 14,822 tonnes per day with a palladium grade of 2.72 grams per tonne, producing 91,261 ounces of palladium at a recovery rate of 77.3%.

In the first six months of 2004, the Company exceeded its production targets by producing 167,231 ounces of palladium. In addition, production of by-product metals exceeded budget.

The following table outlines the operating results for the past five quarters:

| | Q2, 2003 | Q3, 2003 | Q4, 2003 | Q1, 2004 | Q2, 2004 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Mill Throughput (Tonnes per day) | 12,692 | 14,215 | 16,312 | 14,822 | 15,884 |
| Palladium Recovery (%) | 76.6% | 74.0% | 75.1% | 77.3% | 73.5% |
| Mill Availability (%) | 84.4 | 92.6 | 94.8 | 89.3 | 92.3 |
| Palladium Production (ounces) | 59,069 | 76,729 | 94,114 | 91,261 | 75,970 |

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. In addition to palladium, the Company earns substantial revenue from by-product nickel, platinum, gold and copper. **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. **Palladium** is also used in the dental, electronics, jewelry and chemical sectors.

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