



North American **Palladium** Ltd.

News Release

FOR IMMEDIATE RELEASE

October 6, 2004

Trading Symbol: TSX - PDL
AMEX - PAL

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

Toronto, Ontario — During the third quarter of 2004, the Lac des Iles mill processed 1,301,378 tonnes of ore or an average of 14,145 tonnes per day with a palladium head grade of 2.53 grams per tonne, producing 79,174 ounces of palladium at a recovery rate of 74.8%. By-product metals production during the second quarter of 2004 included 6,352 ounces of platinum, 6,745 ounces of gold, 1,090,932 pounds of nickel and 1,986,471 pounds of copper. This compares to the second quarter of 2004 when the mill processed 1,445,445 tonnes of ore, or an average of 15,884 tonnes per day with a palladium grade of 2.22 grams per tonne, producing 75,970 ounces of palladium at a recovery rate of 73.5%. Metal production in the third quarter was effected by reduced mill availability owing to a scheduled shutdown of the mill while the main mill feed belt was cutover to accommodate the new secondary crusher facility.

In the first nine months of 2004, the Company exceeded its production targets by producing 246,404 ounces of palladium. In addition, production of by-product metals significantly exceeded budget.

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

	Q3, 2003	Q4, 2003	Q1, 2004	Q2, 2004	Q3, 2004
Mill Throughput (Tonnes per day)	14,215	16,312	14,822	15,884	14,145
Palladium Recovery (%)	74.0	75.1	77.3	73.5	74.8
Mill Availability (%)	92.6	94.8	89.3	92.3	87.3
Palladium Production (ounces)	76,729	94,114	91,261	75,970	79,174

Underground Mine and Secondary Crusher Projects at Lac des Iles Progressing

Construction of the underground mine at Lac des Iles is on schedule with the portal now established, 388 metres of decline has been driven and all ancillary facilities are in place. The Company will commence construction of the ventilation raise and secondary escape in the fourth quarter of 2004. The rate of decline development is progressing toward 2006-targeted full production.

The secondary crusher project is on budget to begin commissioning by mid of the fourth quarter 2004. The key milestone of splitting the main mill feed belt was completed in the third quarter

during a scheduled six-day shutdown and final construction of the crusher plant is progressing as scheduled. André Douchane, President and CEO commented, "We are pleased with the performance to-date of our operations and project teams for both the underground development and secondary crusher and look forward to successful start-up of these operations."

Exploration Drilling Underway at both Lac des Iles and Shebandowan Project

On the Lac des Iles property, a 10,000+ metre diamond drill program was initiated late in the third quarter of 2004, with drilling scheduled to continue through the first half of 2005. Several priority target areas will be tested including: the South Roby Zone, where reconnaissance drilling in 2003 intersected encouraging values (2.02 g/t over 35 meters including 5.8 g/t Pd over 7.6 meters); and the Creek Zone where surface sampling returned assay values up to 23.1 g/t Pd. On the Shebandowan Lake properties, a 3,000-meter drill program is scheduled to start in early October with the bulk of the drilling testing various targets on ground recently optioned from Inco surrounding their past producing Shebandowan Ni, Cu, PGE Mine. Further, at least two holes will be drilled on a high-grade Pd bearing breccia on the 100% optioned Haines Property.

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.

FOR FURTHER INFORMATION PLEASE CONTACT:

North American Palladium Ltd.

André J. Douchane - President & CEO

Tel: (416) 360-2656

George D. Faught – Vice President Finance & CFO

Tel: (416) 360-2650

**Douglas H. Bache - Treasurer, Corporate Development and
Investor Relations**

Tel: (416) 360-2651

Fax: (416) 360-7709

E-mail: info@napalladium.com

Website: www.napalladium.com

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.