



North American **Palladium** Ltd.

Rarity
& Value



Canada's primary
producer
of **palladium**

Metals for Clean Air

October, 2007

Forward Looking Statements

Certain information included in this presentation, including any information as to our future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute 'forward-looking statements' within the meaning of the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. The words 'expect', 'believe', 'will', 'intend', 'estimate' and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These statements are based on certain factors and assumptions, including but not limited to, the assumption that market fundamentals will result in increased palladium demand and prices and sustained by-product metal demand and prices; the integrated operation of the Company's underground mine and the open pit mine remain viable operationally and economically; financing is available on reasonable terms; expectations for blended mill feed head grade and mill performance will proceed as expected; new mine plan scenarios will be viable operationally and economically; and plans for mill production, sustainable recoveries from the Lac des Iles mine, exploration at Lac des Iles and elsewhere will all proceed as expected. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of North American Palladium to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and that the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: metal price volatility; economic and political events affecting metal supply and demand; changes in the regulatory environment; fluctuations in ore grade or ore tonnes milled; geological, technical, mining or processing problems; future production; changes in the life-of-mine plan or the ultimate pit design; availability and increasing costs associated with mining inputs and labour; the speculative nature of exploration and development, including the risks of diminishing quantities or grades of mineral reserves; adverse changes in our credit rating; and the risks involved in the exploration, development and mining business. These factors are discussed in greater detail in the Company's most recent Form 40-F/Annual Information Form on file with the U.S. Securities and Exchange Commission and Canadian 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.

Presentation Outline

- **NAP Overview**
- **Key Assets**
 - Producing:
Lac des Iles Mine
 - Development Projects:
 - **Offset High Grade Zone**
 - **Shebandowan Ni/Cu**
 - **Arctic Platinum JV**
- **Palladium Market**
- **Summary**



North American Palladium Overview

INVESTOR INFORMATION

As of October 9, 2007

AMEX – PAL
TSX – PDL

Current Market Cap:	\$460 Million
Shares outstanding:	56.3 Million
52-week hi/low:	\$13.65/\$6.61
Working capital:	\$65 Million
(as at June 30, 2007)	
Major shareholder:	KFOC (48%)

Dollar amounts in this presentation are
Canadian dollars unless otherwise stated

North American Palladium Overview

Canada's foremost primary producer of palladium

- LDI produces an estimated 5% of global palladium supply
- Significant producer of nickel concentrate
- Substantial by-product metal production (Pt-Ni-Cu)
- Unhedged palladium production

100% owned Lac des Iles mine



LDI Performance – 2006 Financial Review

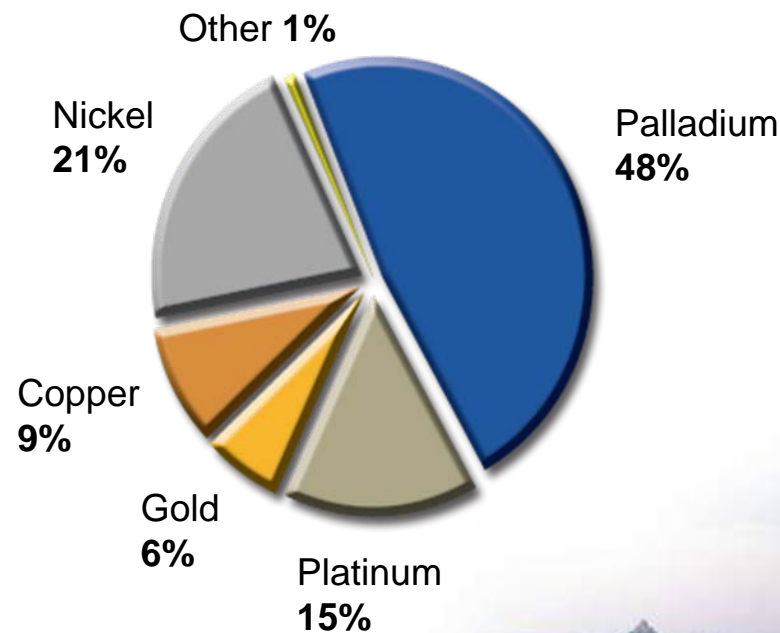
Total Revenues \uparrow 72% to \$159 Mil

Revenues by Commodity

% Change
FY 2005

FY 2006

Palladium	\uparrow 74%	\$76 M
Platinum	\uparrow 43%	\$24 M
Gold	\uparrow 50%	\$10 M
Nickel	\uparrow 108%	\$33 M
Copper	\uparrow 80%	\$15 M



- Cash cost per oz¹ in Q4 2006: US \$108
- Operating cash flow¹ in Q4 2006: \$11 Mil.

(1) Non-GAAP measures



June 2007 YTD Results

A Solid First Half - Financials

2007 vs 2006

Total YTD Revs **↑** 69% to \$113 M

Pd Revenues **↑** 67% to \$53 M

By-product Revs **↑** 70% to \$60 M

	2007	2006
Operating cashflow ¹ vs cash used	\$35.9 M	(\$1.2 M)
Mining profit vs loss	\$3.7 M	(\$12.6 M)
Pricing adjustments*	(\$0.8 M)	\$6.0M
Net loss	(\$3.6 M) (\$0.07ps)	(\$15.5 M) (\$0.30ps)

* Foreign exchange and currency mark-to-market
for concentrate awaiting settlement

(1) Non-GAAP measure



June 2007 YTD Results

A Solid First Half - Operations

Production vs 2006:

Palladium ↑ 39% to 145,455oz

By-product Metals:

Platinum ↑ 25% to 12,767oz

Gold ↑ 23% 9,630 oz

Nickel ↑ 24% 1,528,482 lb

Copper ↑ 8% 2,680,597 lb

Ore processed	2,532,607 tonnes
Mill availability	92.2%
Pd recovery	75.1%

June 2007 YTD vs 2006

Pd head grade	2.38gt vs 2.00gt
Waste to ore strip	1.65:1 vs 2.50:1

Unhedged metal production



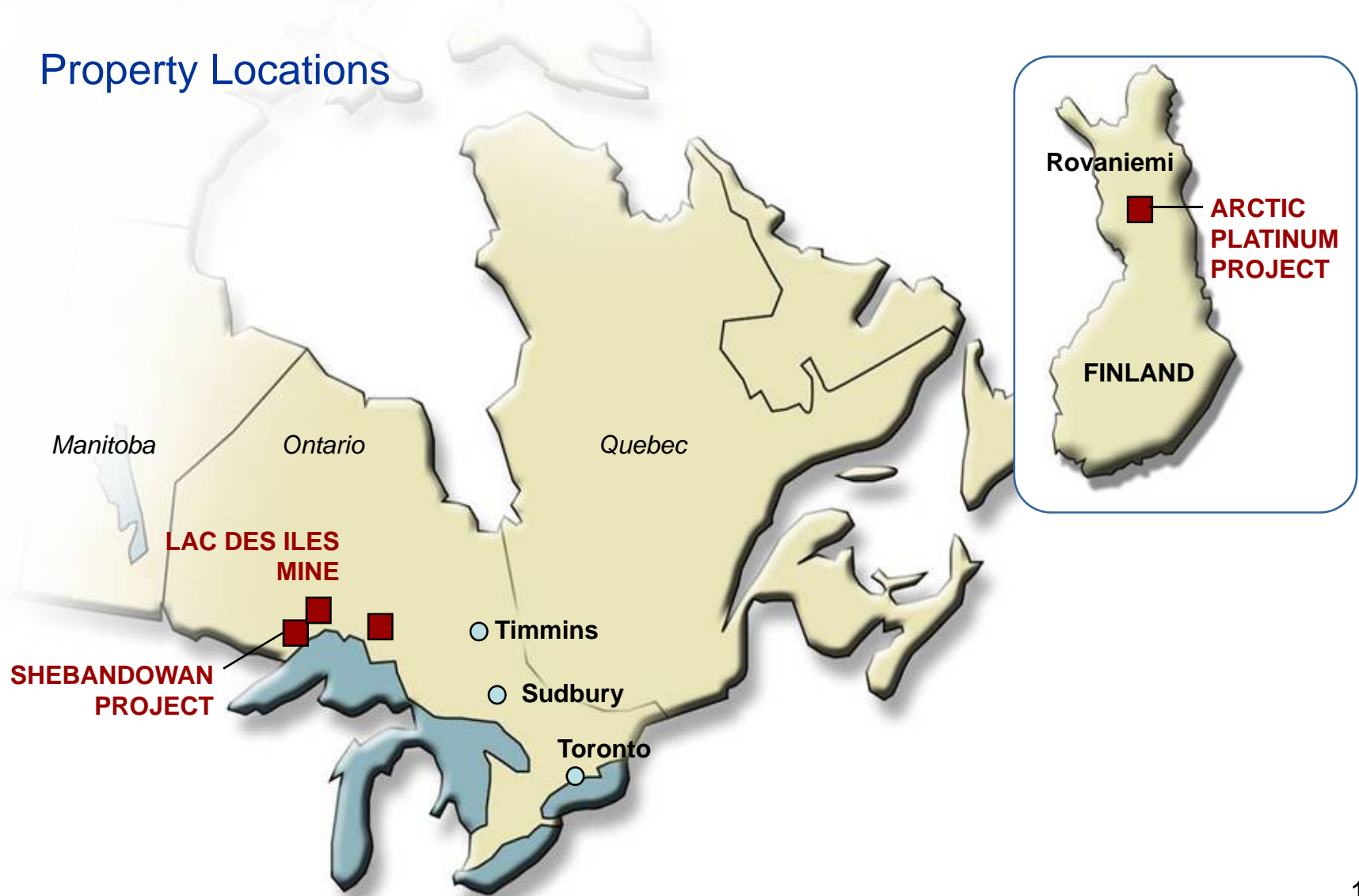
Underground Mine Success

- **\$50 M two year project**
- **April 2006 start-up on time and on budget**
- **Mill feed increases as U/G feed blended with open pit**
- **No lost time injuries in first year of operation**



Exploration & Development Projects

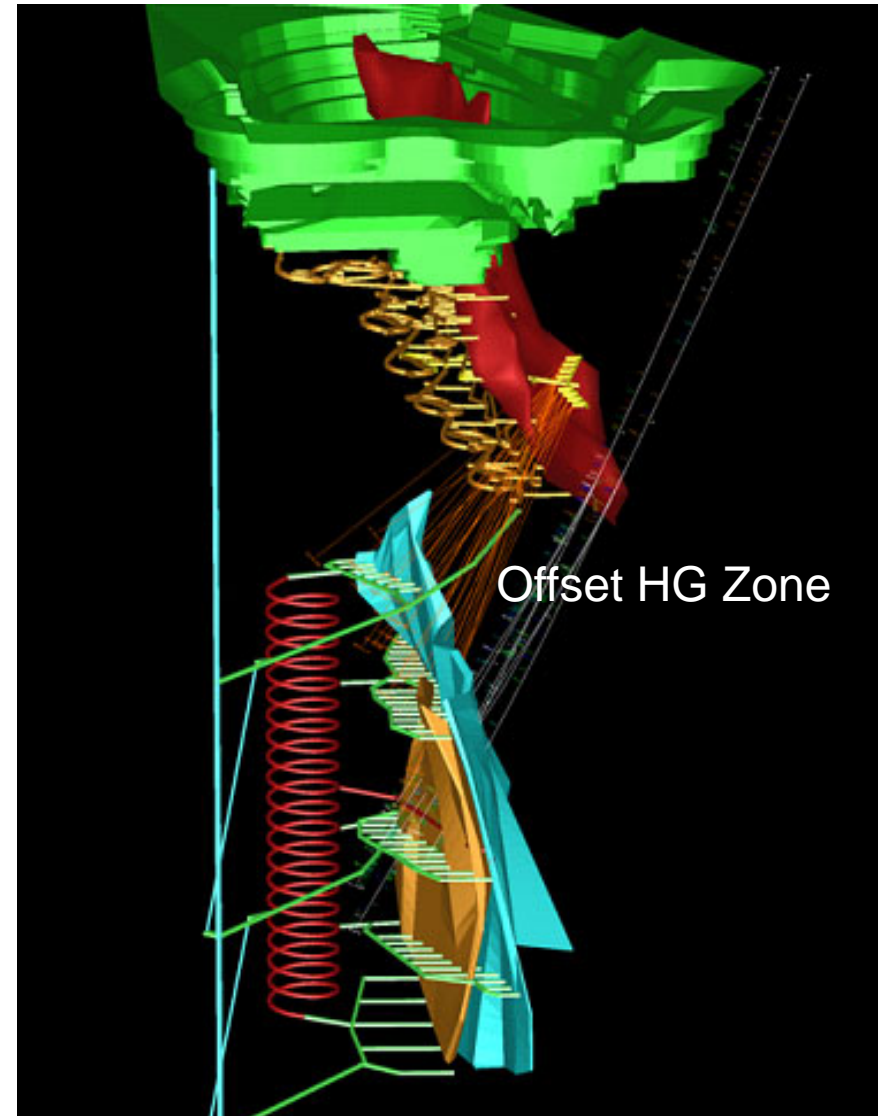
Property Locations



Lac des Iles – Offset High Grade Zone

Offset High Grade Zone

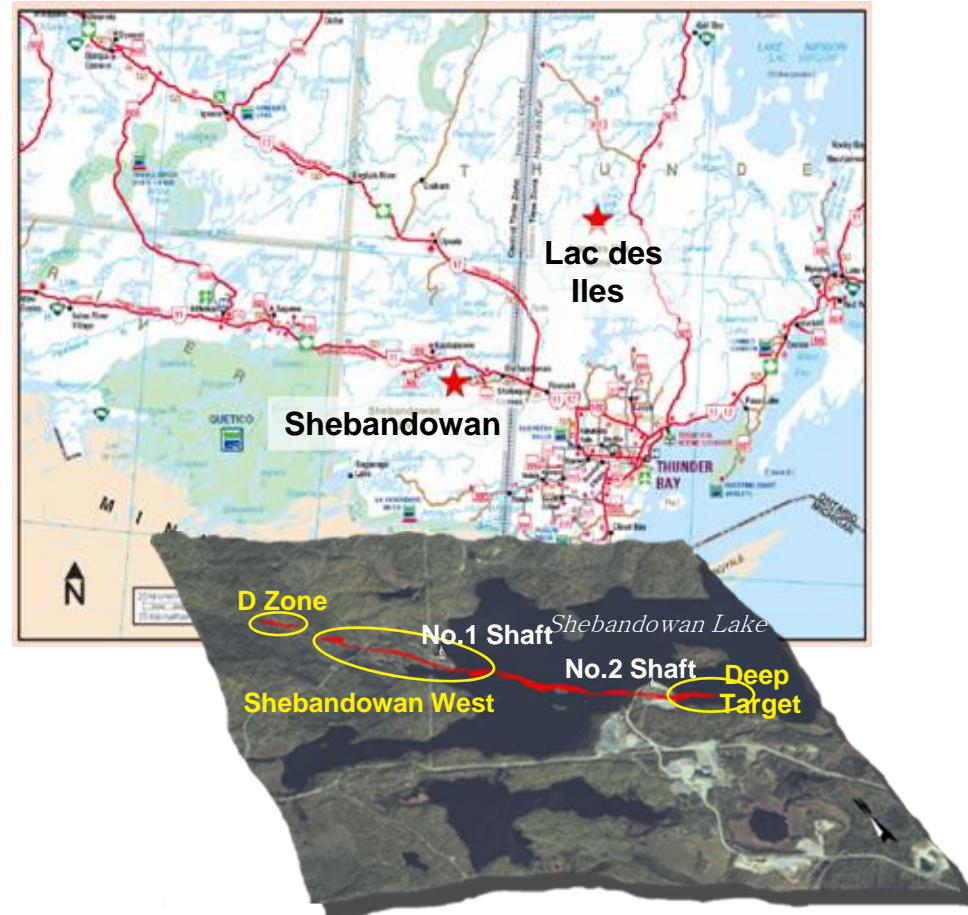
- \$3.3M drill program from surface completed in 2006
- Q1 '07 resource estimate upgrade 3.2 Mt Indicated; 12.8Mt Inferred
- Good continuity of PGM-Ni-Cu over significant widths
- **2007 development program:**
 - underground drilling to be completed
 - mine planning
 - costing
 - feasibility work



Shebandowan Ni-Cu-PGM – Ontario

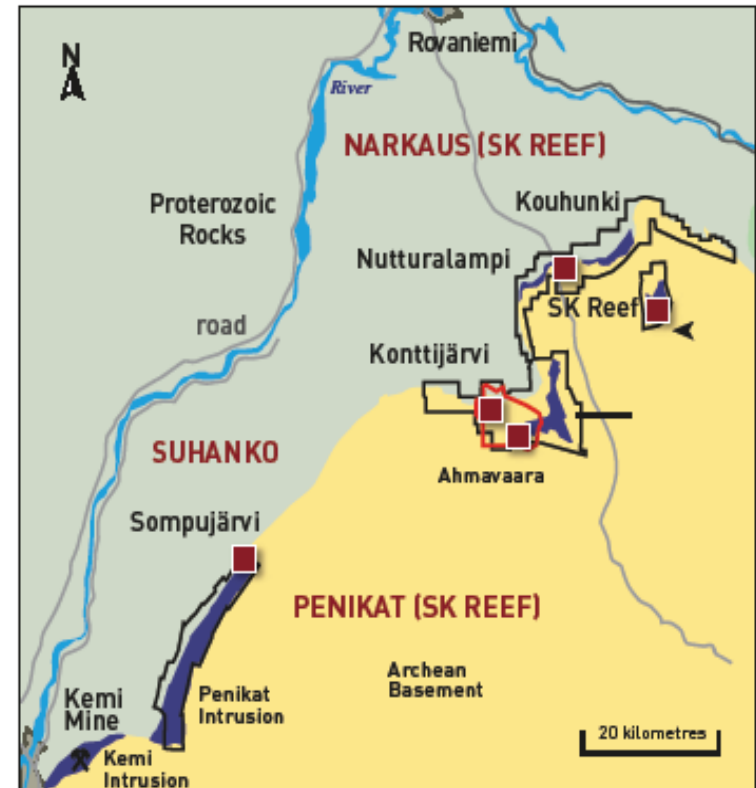
- Phase I and II drill programs completed – 83 holes for 12,511m
- New resource estimate expected in near term
- 2007 development program:
 - metallurgical testwork; baseline studies
 - initiation of environmental permitting
 - bulk sample in first half 2008
 - production decision mid to late 2008

100 km SW of Lac des Iles Mine



Arctic Platinum Project – Finland

- Joint venture with Gold Fields, 60% interest
- \$6 million – 49 diamond drill program completed to drill test targets at Narkaus and Penikat
- 43-101 mineral resource estimate expected in late 2007
- Mining-open pit design/ optimization
- Early permitting of Narkaus initiated
- Environmental permits/mining lease application for Suhanko approved



LEGEND

- | | |
|----------------|-------------|
| Suhanko mining | GFAP claims |
| Licence | PGE Deposit |

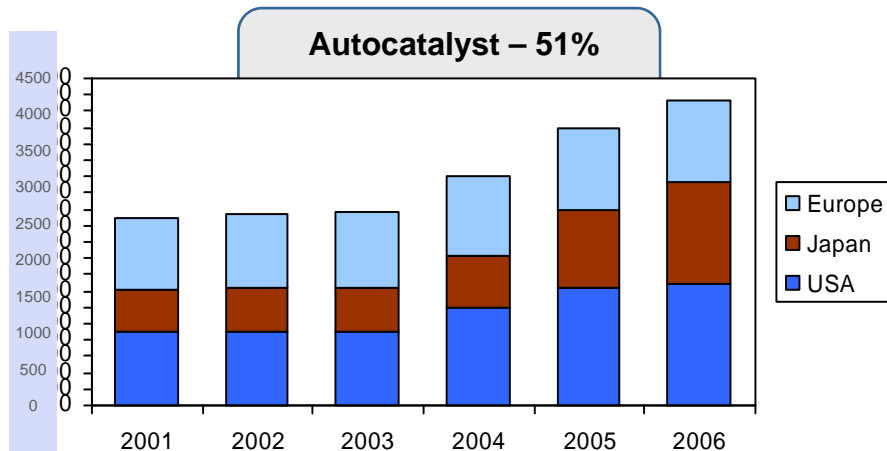
Global Palladium

Supply and Demand

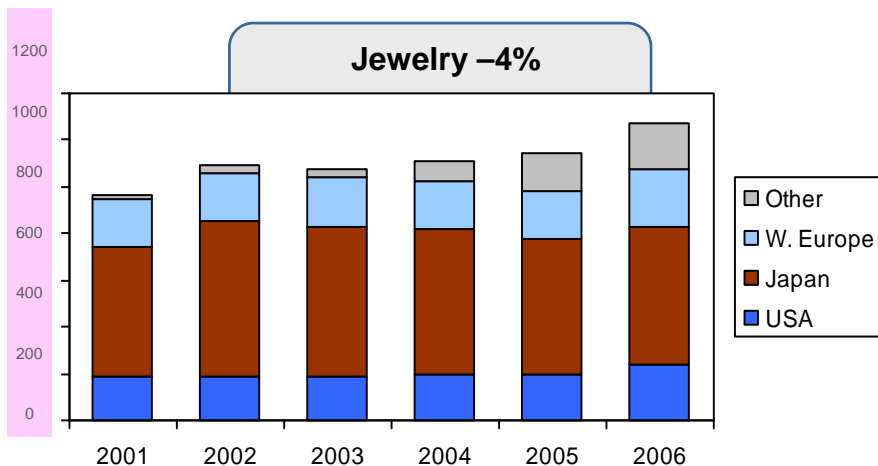
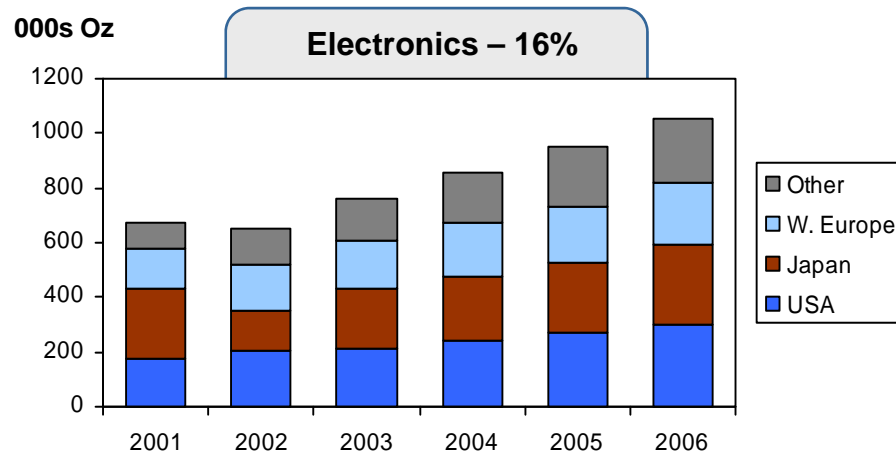


Palladium Demand – Key Sectors

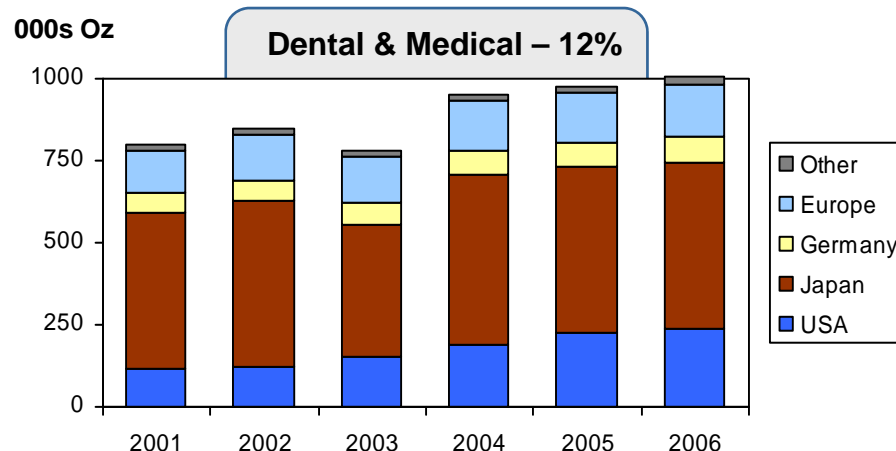
000s Oz



000s Oz



000s Oz



2007 Forecast Demand: 8.2 Million Oz*
+6.5% vs 2006 Actual

*CPM 2007 Platinum Yearbook

Palladium Demand – Real Growth Potential

AUTOCATALYST

- Global car production forecast to increase by 13 million vehicles from 2005 to 2010
- Autocatalyst purchases at highest level since 2001
- China domestic auto sales up by 34% to 4.2M vehicles
- Diesel currently Pt oriented – technology breakthroughs see Pd increasingly substituted



Palladium Demand – Real Growth Potential

Electronics:

- Consumer electronic market growing at 10% p.a.
- 1 trillion MLCC's produced in 2006 for mobile phones, auto electronics; semiconductors; SED tv's
- New Euro electronics waste legislation sees phase out of Pb

Jewelry:

- Purchases by China expected to resume in 2007
- Popularity of Pd 990 jewelry in North America – top name designers
 - Pd jewelry – Scott Kay
 - Pd watches – Cartier
 - Coinage – Palladium Maple Leaf
 - Investment buying



Palladium Supply-Side

2007 Forecast

- Total supply: 8.8 M oz.*
- Surplus steadily decreasing since 2001

Mine Production

- | | |
|-----------------|-----|
| ■ Russia | 35% |
| ■ South Africa | 35% |
| ■ North America | 13% |

Recycling	17%
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*CPM 2007 Platinum Yearbook



Supply Stable – No substantial increases planned in foreseeable future

Summary - New Frontiers for Growth

- **LDI production on track to achieving targets**
- **Development projects advancing for long term sustainability**
- **Ongoing pursuit of opportunities with high potential for value creation**
- **New experienced management team**
 - **President and CEO – Jim Excell, 2006**
 - **VP, Operations – Dave Passfield, 2006**
 - **VP Finance & CFO – Fraser Sinclair, 2007**
 - **VP & General Counsel – Trent Mell, 2007**

