



North American Palladium Ltd.



Investment Case for **PALLADIUM**

Forward Looking STATEMENTS



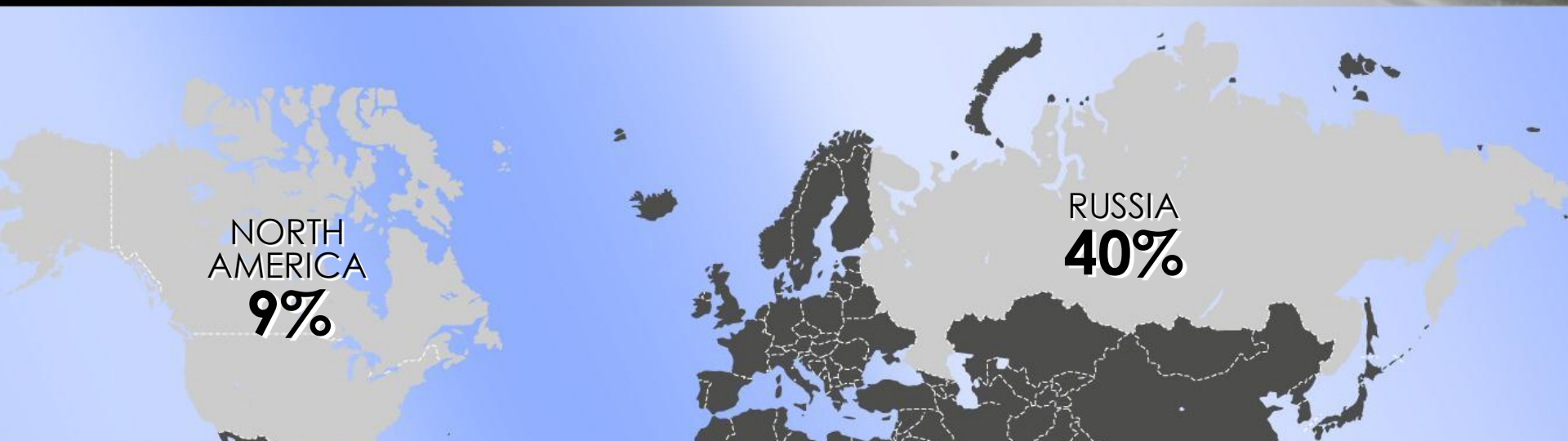
Certain information included in this presentation constitutes 'forward-looking statements' within the meaning of the 'safe harbor' provisions of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. The words 'expect', 'believe', 'will', 'intend', 'estimate', 'forecast', and similar expressions identify forward-looking statements. Such statements include, without limitation, any information as to our future exploration, financial or operating performance, including: the Company's forward looking production guidance, projected capital expenditures, operating cost estimates, project timelines, mining and milling rates, the methods by which ore will be extracted, projected grades, mill recoveries, and other statements that express management's expectations or estimates of future performance. Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The factors and assumptions contained in this news release, which may prove to be incorrect, include, but are not limited to: metal prices assumptions, Canadian and U.S. dollar exchange rate assumptions, that there will be no significant disruptions affecting operations, that prices for key mining and construction supplies, including labour and transportation costs, will remain consistent with the Company's expectations, that the Company's current estimates of mineral reserves and resources are accurate, and that there are no material delays in the timing of ongoing development projects. The forward-looking statements are not guarantees of future performance. The Company cautions the reader that such forward-looking statements involve known and unknown risks that may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: the possibility that metal prices, foreign exchange rates or operating costs may differ from management's expectations, uncertainty of mineral reserves and resources, inherent risks associated with mining and processing, the risk that the Lac des Iles and Vezza mines and may not perform as planned and that the Offset Zone and other properties may not be successfully developed, and uncertainty of the ability of the Company to obtain financing. For more details on the factors, assumptions and risks see 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, except as expressly required by law. Readers are cautioned not to put undue reliance on these forward-looking statements.

2011 operating and capital expenditure numbers discussed in this presentation are subject to change following completion of the year-end audit. All dollar amounts are in Canadian currency unless otherwise stated, all references to production refer to payable production, and all reference to tonnes refer to metric tonnes.

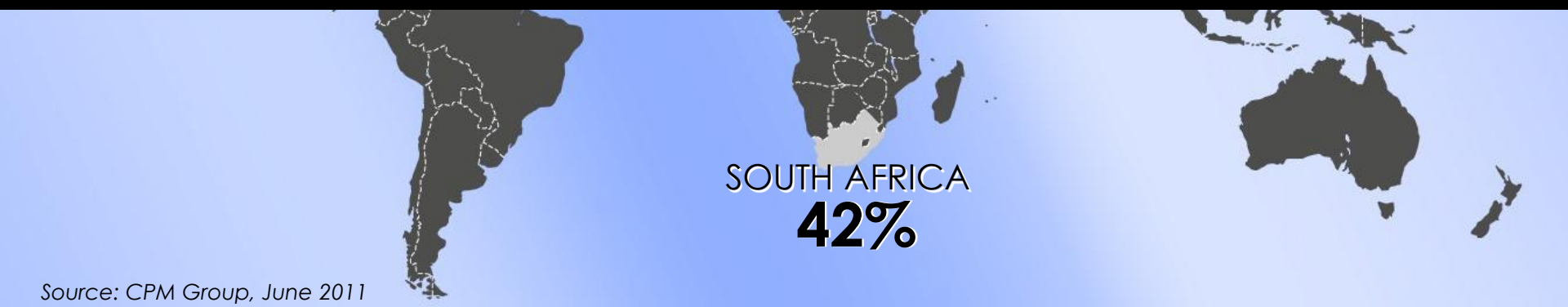
U.S. investors are encouraged to refer to the "Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Resources" in the appendix.

Palladium Market

MINE SUPPLY



ONLY 6.8 M oz. ANNUAL PRODUCTION WORLDWIDE



Source: CPM Group, June 2011

Notes:

1. Other producing countries (9%) include Zimbabwe, Australia, Botswana, China, Serbia and Montenegro.
2. Excludes secondary recycling supply of 1.7 M oz.

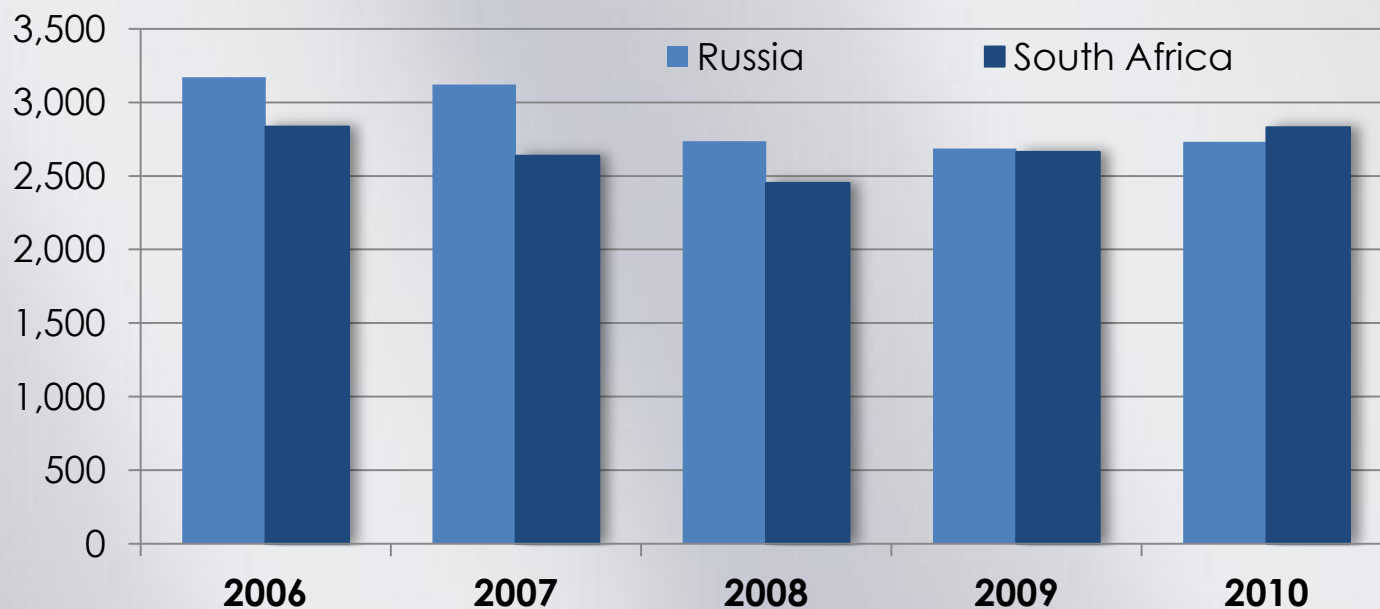
Palladium Market

MINE SUPPLY



Constrained Mine Supply From Major Producers

(000's ounces)



Source: CPM Group, June 2011

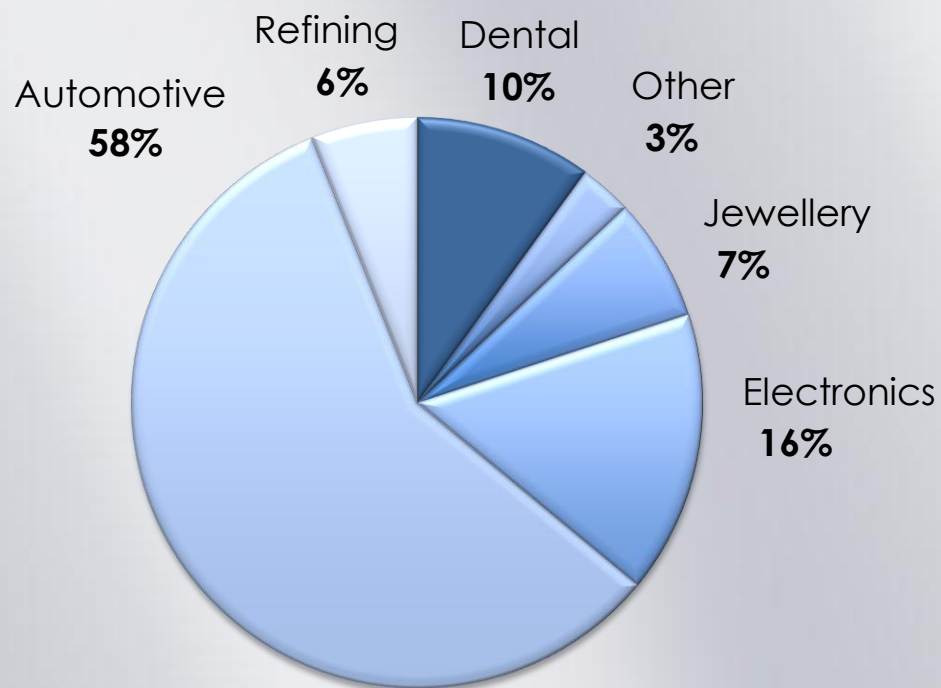
Notes:

1. Russian supply is entirely from Norilsk Nickel, which produces palladium as a by-product from nickel production.
2. South African supply includes the major platinum producers who produce as a by-product from platinum production.

Palladium Market **FABRICATION DEMAND**



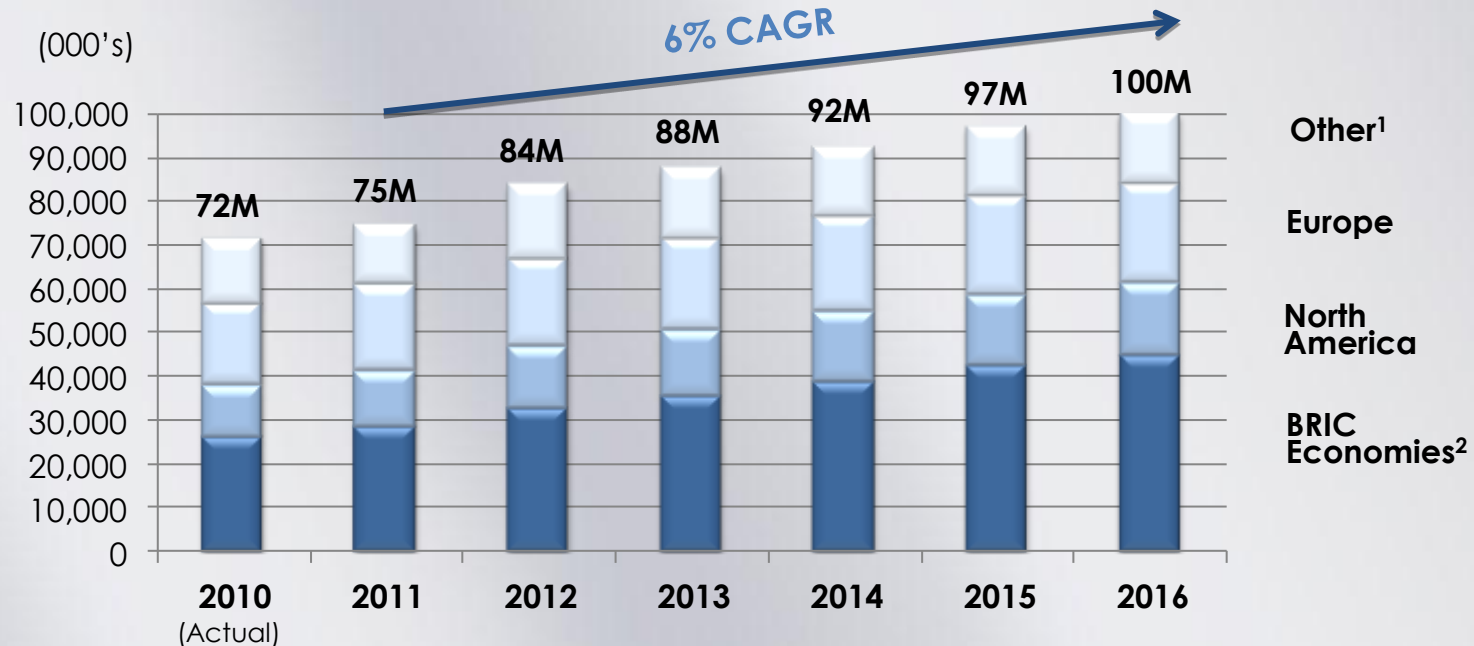
2010 Fabrication Demand: 7.5 M oz.



Palladium Market FABRICATION DEMAND



Global Light Vehicle Production – 5 Year Forecast



Source: IHS Global Insight Automotive, June 2011

1. Other includes: Japan, Korea, Middle East and Africa

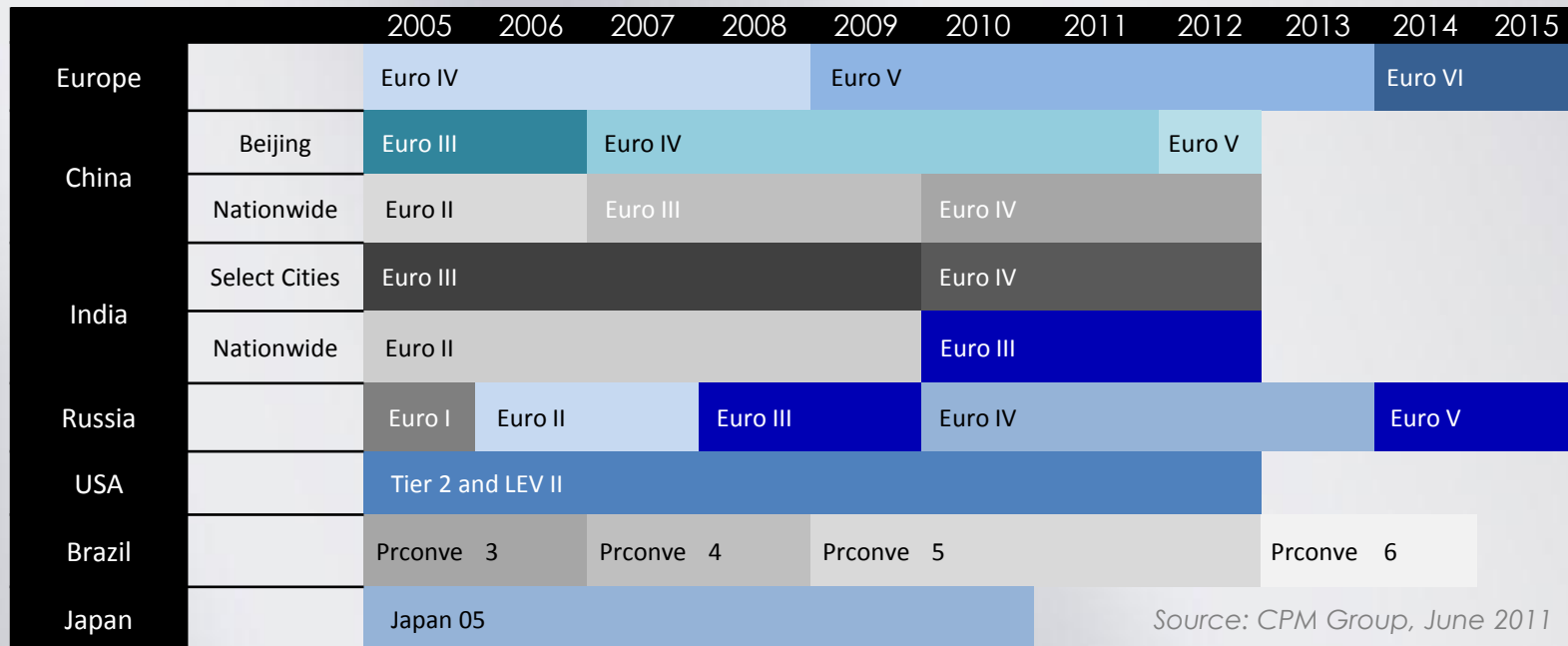
2. BRIC Economies include: Greater China, South America and South Asia

- Global vehicle production biggest source of palladium demand (58%)
- Strong growth to 100 M units by 2016 driven by BRIC economies

Palladium Market FABRICATION DEMAND



Adoption of Stricter Emission Control Standards



- Emerging economies have adopted emission control standards that mandate the use of catalytic converters
- Advancing to a higher level of emission controls results in higher PGM loadings in the catalytic converter
- Tightening emission control regulations for heavy-duty trucks

Use of Palladium in CATALYTIC CONVERTERS



Gasoline Engines

- Use +90% palladium (of total required PGM content)

Diesel Engines

- Historically used platinum due to technical requirements
- Currently use 25% palladium, with scope to increase to 50% due to advent of low sulphur diesel fuel



Hybrids & Other New Forms

- Neutral impact on PGM use
- Gasoline hybrids tend to use as much palladium as normal gasoline engines
- Currently account for only 1% of global cars sales¹
- Forecasted to be 14% of overall market by 2020²

Electric

- No requirement for catalytic converters
- Challenged by lack of infrastructure to recharge, high costs, long charging periods and short driving range
- Forecasted to account for only 2% of global car sales by 2020²

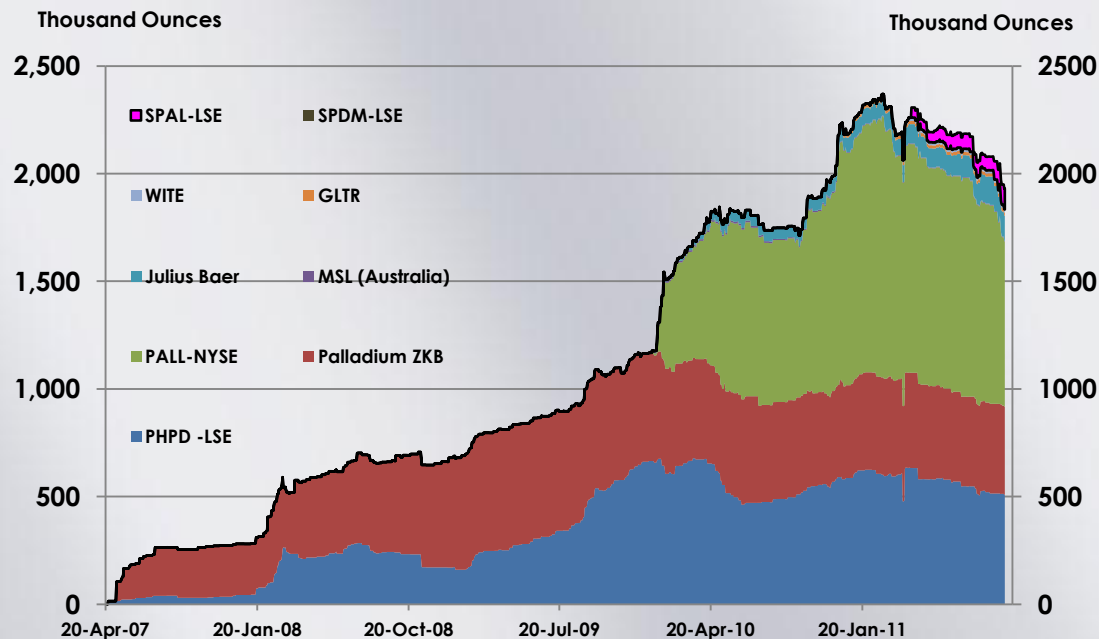
1. CPM Group, June 2010

2. Stefan Bratzel, director of the Centre of Automotive Management in Germany; as reported in Mitsui Global Precious Metals "Pole Position" Report, June 2010

Palladium Market INVESTMENT DEMAND



Exchange Traded Funds' Physical Palladium Holdings



- Investment demand driven by supply/demand fundamentals for palladium --
constrained mine supply and growth in global vehicle production

Palladium Market HISTORIC PRICE PERFORMANCE



Historic Price Performance (US\$/oz)



Average Annual Price Forecast (US\$/oz)

	2012	2013
UBS	\$825	\$850
RBC	\$800	\$850
Credit Suisse	\$771	\$920
TD	\$770	\$1,000
BNP Paribas	\$725	\$1,065
BMO	\$700	\$750
Deutsche	\$698	\$750

Historic High: US\$1,090 (2001)

2011 Average Price: US\$728

Recent Price: US\$718 (Feb. 22, 2012)