



For Immediate Release
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News Release
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North American Palladium Ltd. Announces Record Production for 2004

TORONTO, ON - Overall, 2004 has been a record production year for North American Palladium. The mill processed 5,298,544 tonnes of ore at an average of 14,477 tonnes per day with a palladium head grade of 2.41 grams per tonne, producing **308,931** ounces of palladium at a recovery rate of 75.2%. This compares to 2003 palladium production of 288,703 ounces. Also attaining record numbers, the by-product metal production in 2004 included 25,128 ounces of platinum, 25,679 ounces of gold, 4,320,970 pounds of nickel and 7,836,183 pounds of copper. The final 2004 metal production quantities are subject to assay adjustments with the smelters.

During the fourth quarter of 2004, the Lac des Iles mill processed 1,202,942 tonnes of ore at an average of 13,075 tonnes per day with a palladium head grade of 2.17 grams per tonne, producing 62,526 ounces of palladium at a recovery rate of 74.6%. By-product metal production during the fourth quarter of 2004 included 5,475 ounces of platinum, 4,928 ounces of gold, 848,519 pounds of nickel and 1,604,010 pounds of copper. This compares to the third quarter of 2004 when the mill processed 1,301,378 tonnes of ore at an average of 14,145 tonnes per day with a palladium grade of 2.53 grams per tonne, producing 79,174 ounces of palladium at a recovery rate of 74.8%.

Milling operations during the fourth quarter were affected by the tie-in of the new secondary crusher, in addition to maintenance on conveyor belts and chutes. However, with the grinding improvement project now complete and operating as planned, the milling process will continue to be optimized.

	Q3, 2003	Q4, 2003	Q1, 2004	Q2, 2004	Q3, 2004	Q4, 2004
Mill Throughput (tonnes per day)	14,215	16,312	14,822	15,884	14,145	13,075
Palladium Recovery (%)	74.0	75.1	77.3	73.5	74.8	74.6
Mill Availability (%)	92.6	94.8	89.3	92.3	87.3	84.9
Palladium Production (oz)	76,729	94,114	91,261	75,970	79,174	62,526

Looking back at the fourth quarter's palladium head grade results, André J. Douchane, President & CEO, commented, "Palladium production for each of the next three quarters of this year will be similar to that of 2004's fourth quarter. We are entering a period where the head grade will drop to slightly below 2 grams per tonne, but mill tonnage will be increased to compensate for this decline. By the fourth quarter of 2005, palladium production is expected to gradually increase as the underground operations move online."

Exploration Activity

At the Lac des Iles mine site, the Company commenced drilling of a deep hole to test the depth of the extension of the Offset High Grade Zone. The drilling crew encountered abnormal ground conditions and did not reach its ultimate planned length of approximately 2000 metres. Another drill rig is beginning a second hole, in order to continue the testing on this Offset High Grade Zone. A third drill rig is scheduled to move onto the mine site in the first quarter of 2005 to start an anticipated 5000-metre drill program to evaluate several additional targets, including the Creek, Baker and South-East Roby Zone.

On the Company's Shebandowan Lake Projects a 3000-metre drill program was completed on targets generated as a result of the 2004 summer exploration program. Follow-up drilling is scheduled to commence in early 2005 on a prospective nickel-copper-platinum group element bearing target that is located along strike of the INCO's past producing Shebandowan Mine. Additional drilling is also planned to further test the extension of the high-grade palladium bearing breccia on the adjoining Haines-Conacher 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

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