

For Immediate Release  
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## North American Palladium Ltd. Announces First Quarter 2005 Operating Performance & Exploration Update

**Toronto, Ontario** — During the first quarter of 2005, the Lac des Iles mill processed 1,156,322 tonnes of ore, or an average of 12,848 tonnes per day with an average palladium head grade of 1.91 grams per tonne, producing 52,572 ounces of palladium at an average recovery rate of 74.0%. By-product metals production during the first quarter of 2005 included 5,382 ounces of platinum, 4,131 ounces of gold, 778,200 pounds of nickel and 1,562,040 pounds of copper. This compares to the fourth quarter of 2004 when the mill processed 1,202,942 tonnes of ore or 13,075 tonnes per day with a palladium grade of 2.17 grams per tonne, producing 62,526 ounces of palladium at a recovery rate of 74.6%. Metal production in the first quarter of 2005 was affected by low ore grades and issues with mill availability. The downtime was primarily due to several ball mill bearing failures, which have since been resolved and the mill is operating fine.

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

	Q1, 2004	Q2, 2004	Q3, 2004	Q4, 2004	Q1, 2005
<b>Mill Throughput (tonnes per day)</b>	14,822	15,884	14,145	13,075	12,848
<b>Palladium Recovery (%)</b>	77.3	73.5	74.8	74.6	74.0
<b>Mill Availability (%)</b>	89.3	92.3	87.3	84.9	86.3
<b>Palladium Production (ounces)</b>	91,261	75,970	79,174	62,526	52,572

### Exploration Update

In the fourth quarter of 2004 at Lac des Iles, the Company commenced a deep drilling campaign to extend the known resource base of the Offset High Grade Zone, which was identified and partially delineated in 2001. The initial hole (DDH 04-004) was engineered to intersect the Offset High Grade Zone, approximately 600 metres vertically below its current lower limit. While it encountered several metres of highly altered pyroxenite, it contained only elevated values of Pd (0.242 grams per tonne Pd over 5.4 metres from 1634.6 to 1640.0 metres). A second hole (DDH 05-001) collared in January 2005 to intersect the Offset High Grade Zone, 300 metres vertically below the known resource, returned assays of **5.250 grams per tonne Pd, 0.515 grams per tonne Pt, and 0.079 grams per tonne Au over 3.1 metres** from 1369.0 to 1372.1 metres.

Mr. Bruce W. Mackie, Vice President, Exploration and Business Development, stated: "The fact that we were successful in extending, for over 700 metres down dip, the lithologies that host the high grade mineralization at Lac des Iles, now opens up a very large area for us to start exploring for additional higher grade material similar to our Main High Grade and Offset High Grade Zones. I am also extremely pleased that the Board has approved an additional \$2.5 million to continue drilling the Offset High Grade Zone throughout 2005."

The exploration team's efforts during the upcoming months will continue to focus on expanding the mineral resources around the Offset High Grade Zone, as well as advancing and drill testing other surface prospects on the mineblock. In addition, previous geological interpretations have suggested that the southern portion of the Main High Grade Zone has been displaced by an east-west trending fault system (Roby Fault). A series of shallow drill holes are planned to test for the faulted-off portion of this ore body.

Elsewhere, the Company recently entered into an Option Joint Venture Agreement with Gossan Resources Ltd. on their Bird River Property. The Company has the ability to earn up to a 75% interest in this property, which is located in south-east Manitoba. The Bird River Sill Complex has Ni/Cu/PGM surface showings. The Company plans to conduct a detailed airborne geophysical survey in the second quarter of 2005, followed by mapping, prospecting and diamond drilling of priority targets in the third quarter of 2005.

Mr. Mackie M. Sc., P. Geo., an officer and employee of North American Palladium, is the designated qualified person for the company's exploration programs. Additional information on the geological environment, and drilling, sampling and assaying procedures may be found in the Company's Renewal Annual Information Form dated March 29, 2005.

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***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, jewellery and chemical sectors.***

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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 "expect", "budget", "plan", "will" and other similar expressions are intended to identify forward-looking statements. In particular statements relating to the exploration programs and objectives 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, changes in the US/CDN dollar exchange rate, economic and political events affecting metal supply and demand, fluctuations in grade, and geological or technical problems. 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.