



For Immediate Release
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News Release
Trading Symbols TSX – PDL
AMEX - PAL

Progress Update on the Tailings Leak at the North American Palladium Ltd. Lac des Iles Mine

Toronto, Ontario — North American Palladium Ltd. announced today that there has been significant progress in repairing the tailings dam leak at its Lac des Iles mine, north of Thunder Bay, Ontario. This leak occurred Saturday afternoon in a contained area of the tailings dam near the primary crusher resulting in no surrounding environmental impact.

The leak was blocked yesterday with a material mixture of solidified tailings and hay and a dam was constructed in order to prevent further flow of water into the milling area. Due to extensive flooding, the milling operations, including the primary crusher and the electrical substations continue to be temporarily shut down in order to protect the equipment, while the testing of the systems gradually commences. The team is now focusing on removing the remainder of the water in this area, which is expected to be cleared by tomorrow morning. Regular operations in the open pit and underground continue.

In making the update, Jim Excell, President and CEO stressed, "We are relieved that this has occurred in a contained area of the mine and we are now certain that it does not pose a threat to the surrounding environment. We intend to continue with regular updates on our progress."

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. The Company also earns substantial revenue from by-product nickel, platinum, gold and copper. In addition to operating Lac des Iles, the Company's mandate is to expand its production profile through an aggressive exploration campaign, designed to increase its exposure to base and precious metals. **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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