



Frequently Asked Questions – December 8, 2009

NAP to restart Lac des Iles palladium mine

Questions relating to costs

Why are you providing a range for cash costs of US \$335 to US \$350?

NAP's US cash costs per ounce are materially impacted by its byproduct metal credits, and the Canadian dollar versus the US dollar. Further, the Company is in the process of finalizing its key contracts, including a smelter contract and its agreement with the union, which could impact its cash costs.

What is the Company's hedging policy?

North American Palladium does not sell forward any of its palladium or gold production.

Are you subject to any royalties at LDI?

NAP's production is subject to a 5% net smelter return royalty.

How much capital expenditures are required to restart LDI?

Approximately \$4 million of capital is required for the mill before the restart begins.

Question relating to employees and employment

Have you finalized the union contract?

No, but negotiations are proceeding in this regard.

How many people are currently working at site at LDI?

30.

How many additional people will you need to employ in relation to the restart?

Approximately 150.

Why are you hiring fewer workers than when you were previously in production?

LDI was previously producing from both the Open Pit and the Roby underground before the mine was placed on care and maintenance. NAP will only produce from the Roby underground when full operations resume, and thus require a smaller workforce.

Where do I send my resume if I'm interested in applying for a job?

Please send an electronic resume to recruitment@nap.com.

Questions relating to production

Why aren't you resuming production in the Open Pit?

The Open Pit was near to the end of its life when LDI was placed on care and maintenance in October 2008. However, if metal prices continue to rise, existing stockpiled low grade ore could be milled.

Have you finalized a smelter contract?

No, but NAP is negotiating with several parties in this regard.

What metals will you produce?

Our primary metal is palladium. Our byproduct metals are platinum, gold, nickel, and copper.

How much palladium do you expect to produce annually?

NAP expects to produce 140,000 ounces of palladium annually.

What will be your monthly production rate?

We expect to produce approximately 76,500 tonnes on a monthly basis.

When do you expect to produce your first concentrate?

We expect to produce our first concentrate in the second quarter of 2010.

How long were you in production before you went on care and maintenance?

LDI began production in 1993, and consistently produced ore until October 2008.

Questions relating to shares

What stock exchange do your shares trade on?

North American Palladium's shares trade on the NYSE Amex under the symbol PAL and the Toronto Stock Exchange under the symbol PDL.

How many shares do you have outstanding?

As at November 12, 2009, NAP has 127 million shares outstanding, 154 million fully diluted.

For further information or media inquiries please contact:

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